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INTERNATIONAL

# Herald Tribune

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ODAY'S WEATHER FORECAST—PARIS: Partly cloudy. Temp. 54-58 (13-14). Tomorrow: Partly cloudy. Temp. 50-54 (10-11). LONDON: Partly cloudy. Temp. 50-54 (10-11). Tomorrow: Partly cloudy. Temp. 50-54 (10-11). CHICAGO: Partly cloudy. Temp. 50-54 (10-11). Tomorrow: Partly cloudy. Temp. 50-54 (10-11). NEW YORK: Partly cloudy. Temp. 50-54 (10-11). Tomorrow: Partly cloudy. Temp. 50-54 (10-11).

Austria	.....	1.21	Switzerland	.....	1.20
Belgium	.....	1.21	Denmark	.....	1.21
Canada	.....	1.21	France	.....	1.21
Germany	.....	1.21	Greece	.....	1.21
Italy	.....	1.21	Japan	.....	1.21
Netherlands	.....	1.21	Norway	.....	1.21
Portugal	.....	1.21	Spain	.....	1.21
Sweden	.....	1.21	Switzerland	.....	1.21
Turkey	.....	1.21	U.S. Dollar	.....	1.21
U.S. Dollar	.....	1.21	Yugoslavia	.....	1.21



PPY HOMECOMING—Family of POW Lt. Col. Robert M. Grogan, 15, left, and his wife Loretta, 14, greet him at Travis Air Base in California. From left: Lori, 15; Robert, 14; Cynthia, 11; wife Loretta, 14; Roger, 12. He had been held since Oct. 27, 1967.

## Communists Forces Assault Vietnamese Ranger Base

IGON, March 19 (UPI)—A South Vietnamese ranger base 50 miles north of Saigon was assaulted by Communist forces today. Military spokesmen said the assault was the first of a series of attacks on the base. The base was hit by mortar fire and small arms fire. The assault was repulsed, but the base was damaged. The base was hit by mortar fire and small arms fire. The assault was repulsed, but the base was damaged.

## More Arrests in Cambodia; Subversive Network Alleged

PHNOM PENH, March 19 (AP)—Arrests and interrogations continued today while state security forces pursued what a high official called "the dismantling of subversive networks" in the capital. The official, Under Secretary of Information Thong Khon, said the arrests were part of a campaign to root out subversive elements. The arrests were part of a campaign to root out subversive elements. The arrests were part of a campaign to root out subversive elements.

## igon, Viet Cong Delegates Clash at Start of Paris Talks

PARIS, March 19 (AP)—The government and the Viet Cong Provisional Revolutionary Committee formally opened negotiations today at the start of peace talks. The talks were held at the Hotel de Ville in Paris. The talks were held at the Hotel de Ville in Paris. The talks were held at the Hotel de Ville in Paris.

## Focus on W. Germany

The first of a two-part special report on West Germany appears in today's edition of the International Herald Tribune, starting on Page 15. The second part will appear in the editions of March 27, a week from today.

## Truce by IRA Is Reported; Ulster Calm

BELFAST, March 19 (Reuters).—Irish Republican Army guerrillas kept a low profile in Northern Ireland today and sources close to the movement said they had called a temporary halt to offensive operations in the British province. The IRA sources said they had called a temporary halt to offensive operations in the British province.

## Sunay to Stay As President, Turks Decide

ANKARA, March 19 (AP)—Turkey's major political parties agreed today to extend the term of President Cevdet Sunay as a compromise solution to the military-civilian deadlock in the presidential elections. The parties agreed to extend the term of President Cevdet Sunay as a compromise solution to the military-civilian deadlock in the presidential elections.

## Nixon to Seek Restrictions of Insanity Defense

WASHINGTON, March 19 (AP)—President Nixon today moved to restrict the insanity defense in federal courts. The move was part of a broader effort to reform the criminal justice system. The move was part of a broader effort to reform the criminal justice system.

# After 2-Week Closure Floating Dollar Strong; State Banks Trade Anew

By Carl Gewirtz

PARIS, March 19 (REUTERS).—The world's leading central banks reopened for business today, ushering in a new era of officially floating exchange rates against the dollar. The U.S. currency opened stronger on every market, fell back from its early highs but closed above the levels set in unofficial trading since the March 22 shutdown of central banks. The reopening drew modest and very cautious praise from commercial bankers and foreign exchange dealers.



OPEN AGAIN—Frankfurt exchange in action yesterday.

This also explains why the experts are so cautious about reading too much significance into the first day's trading. Other factors affecting the longer-term outlook are the increasing number of controls aimed at inhibiting new speculation and the clear indication that domestic U.S. interest rates are headed sharply higher.

French Restrictions In addition to the French measures announced Friday—barring interest payments on nonresident accounts and raising the reserve requirements on these accounts to 100 percent—making it unprofitable for a bank to accept nonresident business—the Bank of France today instructed the nation's banks that their holdings of foreign currencies purchased on a forward basis are to be kept to the level prevailing on Feb. 28, thus blocking their ability to take part in any speculation against the franc. The Belgium-Luxembourg banking authority announced that foreign holders of commercial-franc accounts will have to pay a negative interest rate on their holdings exceeding "normal balances"—which have not yet been defined. The rate of negative interest will be 0.25 percent a week—the same charge as the Netherlands announced last week. The Belgium-Luxembourg financial franc is not affected by the move as it is floating by itself without regard to any other currency. However, the authorities are obliged to keep the commercial franc—used for official transactions—within fixed margins against the other currencies in the joint European float. Thus, the negative interest charge, which went into effect today, is (Continued on Page 7, Col. 1)

little sign that the enormous speculative holdings of European currencies built up in the days leading to the shutdown of central banks are being "unwound."

sign currency. Dealers report that most of the transactions to buy dollars were executed for legitimate commercial reasons—which is to say that there is very

## Cite 1868 Fort Laramie Treaty Wounded Knee Indians Vow To Talk Only to Nixon, Sioux

WOUNDED KNEE, S.D., March 19 (UPI)—Leaders of the American Indian Movement said today that they will deal only with President Nixon or with an emissary named from among the Sioux Indians, to end their armed occupation of this hamlet, seized 20 days ago. The leaders called their proposal a "final ultimatum" to the United States.

## Derangement Must Be So Serious That Crime Intent Is Unprovable

claims that they had been incapable of understanding the criminality of their conduct or that they had been overcome by an "irresistible impulse"—without putting any new burden on the prosecution. The measure provides further that, even if a defendant were acquitted because the prosecution could not establish his criminal intent, he would still be subject to a further hearing to determine if he should then be committed to a mental institution. Broadly speaking, the proposed change in the law would be likely to increase substantially the number of convictions, narrowing the court's consideration of the defendant's mental condition to a single question and requiring proof of considerably more serious impairment than is the case now. If adopted, this would eliminate a good deal of legal precedent now available to many defendants



President Cevdet Sunay.

## By Warren Weaver Jr.

WASHINGTON, March 19 (AP)—In a move certain to provoke controversy in legal circles, President Nixon today asked Congress to abolish insanity as a defense against murder and related federal crimes such as treason and kidnapping. Under legislation the White House will submit within the next few days, a criminal will no longer be able to avoid conviction on federal charges by proving that he was insane at the time of the crime. This defense has been recognized, under varying definitions of insanity, for more than a century.

## Goodwill Stressed

Both sides, nonetheless, stressed their goodwill and their determination to reach rapid agreement. Meanwhile, the U.S.-North Vietnam Joint Economic Commission held its second closed-door session here today. The commission is to deal with the problem of U.S. aid to North Vietnam in accordance with the terms of the Jan. 27 peace agreement.

## 14 in Congress Urge Delay on New A-10s

WASHINGTON, March 19 (Reuters).—Fourteen Republican congressmen today urged the government to postpone deployment of some offensive nuclear-weapon systems, including the B-1 bomber and an advanced nuclear-missile submarine, pending the outcome of U.S.-Soviet arms-limitation talks. They declared, however, that the United States should go ahead with a research and development program on offensive nuclear weapons as an aid to bargaining in the arms-limitation talks taking place in Geneva.



## Tension on Embassy Murders Eases

## Sudan, Fatah Seek to Avoid Rift

By Henry Tanner

CAIRO, March 19 (UPI)—The Sudanese government and the Palestinian Liberation Organization have agreed to avoid the complete break that seemed inevitable when Black September commanders raided the Saudi Arabian Embassy in Khartoum and murdered three Western diplomats.

Sources said the Sudanese are now inclined to believe that the commanders acted without the knowledge of the high command of the Palestine Liberation Organization and of el-Fatah, its dominant wing, even though at least three of the eight men involved were officials of the local Fatah office.

The commanders will be tried on charges of murder, a capital offense in the Sudan, after a

three-man commission has completed its investigation into the slaying of the U.S. ambassador, Cleo A. Noel Jr., the outgoing American chargé d'affaires, George C. Moore, and the Belgian chargé, Guy Eid.

It is widely expected that the eight will be condemned to death but that President Gaafar Numeiri will eventually commute the sentences. No date for the trial has been set but it could begin late this week.

The slackening of tension between the Sudan and the Palestinian leadership may well deepen that between Gen. Numeiri and President Moamer Qadhafi of Libya, whom the Sudanese accuse of having instigated the commando action.

The implication of the Sudanese charges is that Col. Qadhafi, far from helping the Palestinian resistance, used the Khartoum office of Fatah without the knowledge of the movement's leaders.

Leading officials of the Palestine Liberation Organization went to Khartoum yesterday after conferring here with the secretary-general of the Arab League, Mahmoud Riad. The league has been acting as an intermediary between Gen. Numeiri and the Palestinians.

The PLO delegation is understood to have taken a message to Gen. Numeiri from Yasser Arafat, the PLO chairman, disclaiming his group's involvement in the slayings. Gen. Numeiri had publicly challenged Mr. Arafat to make such a statement, and, Saturday, the PLO leader issued a statement in Beirut dissociating himself from the embassy attack.

Foreign diplomats noted with interest the energy with which Arab leaders, from the moderate officials of the league to members of such radical regimes as that of Iraq, have been seeking to prevent a break between the Sudan and the Palestinians.

A break between Khartoum and the Palestinian organizations would have had wide-ranging implications. If the Sudan were to try the leading commanders as officials of Fatah rather than individuals, it could affect the group's operations in other Arab capitals where its officials have diplomatic status and function openly.

## Truce by IRA Is Reported

(Continued from Page 1)

were seen running away after the booby-trap blast.

There were indications that the reported cease-fire could be aimed at suggesting to public opinion both here and in the outside world that the republican guerrillas are more willing to compromise than the Protestant militants.

There had been rumors during the last few days that the IRA might suspend its bombing and shooting campaign—aimed at forcing Ulster into a united Ireland—once the British document on Northern Ireland's future was published.

But there had also been fears that the guerrillas, who have killed more than 200 soldiers and policemen since the current violence broke out here in 1969, might mark the document's appearance with a stepped-up offensive both here and in Britain.

## Cairo Police Said To Smash Money Smuggling Ring

CAIRO, March 19 (UPI)—Egyptian police have uncovered a currency-smuggling ring described as "the most serious organized foreign attempt to destroy the Egyptian economy," the Middle East News Agency said today.

The 65-man group, which used Rome as the center of its operations, included a number of Egyptians, Egyptian Jews, Americans, Germans, Italians, Greeks, Frenchmen and Lebanese, the agency said.

In the four years of its operation, the ring smuggled several million Egyptian pounds by violating the country's import regulations, the agency said.

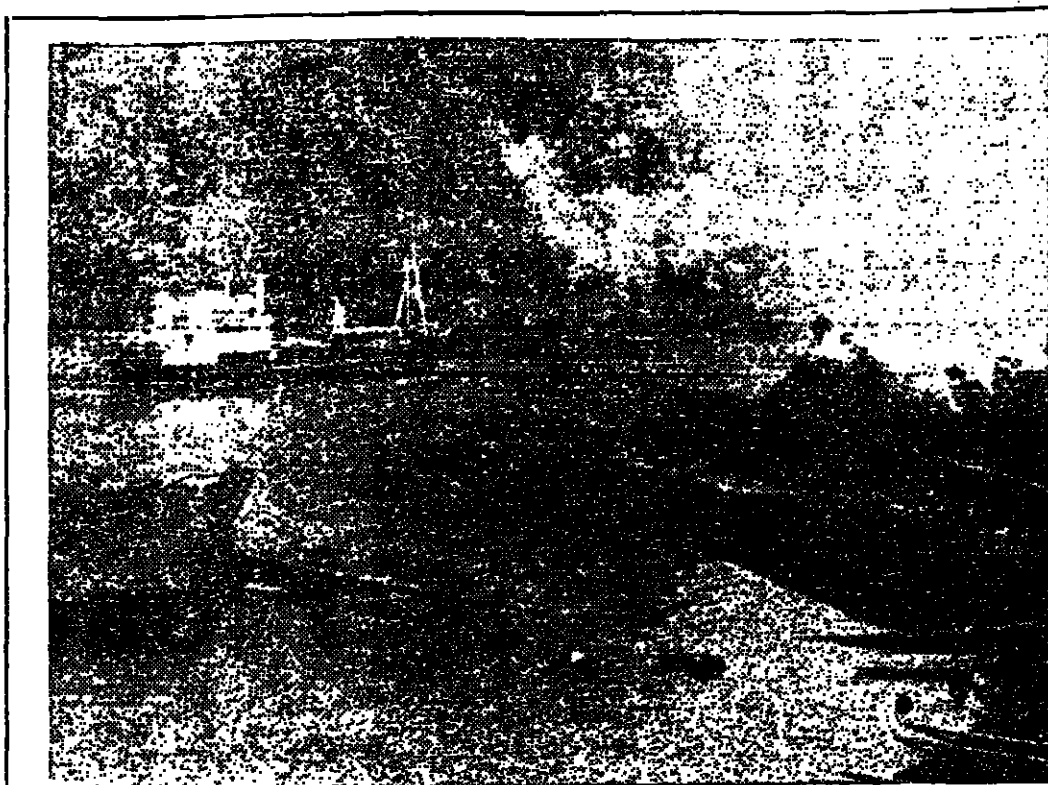
About 20 of the defendants have been placed under arrest, and others were released on bail while investigations continue, the agency said.

## Peronists Return To Power in May

BUENOS AIRES, March 19 (UPI)—The Peronist party was assured of taking power without a runoff election when the Radical Civic Union said Saturday that it accepted that the Justicialista party of former President Juan D. Peron won last Sunday's elections. A smaller party threw its support to the Peronists to remove any remaining uncertainty.

The decisions meant that the Peronists would return to power in May, 17 years after a military coup overthrew Mr. Peron. Mr. Peron's handpicked candidate, Hector J. Campora, will be president.

Mr. Campora had 49 percent of the popular vote after the first official count.



STILL DANGEROUS—Lava flow from renewed volcanic activity in Icelandic town of Heimaey reached the outer pier yesterday, threatening the island's supply line. To cool the lava and thus slow its movements water is pumped onto it from ships and from the land. Hoses can be seen at right. Officials said twelve more houses had been engulfed in the last few days and because of poisonous gases large areas of the town had been closed to rescue workers except those equipped with gas masks.

## Switching Back to Civilian Control

## France Halts All Air Traffic for Night

From Wire Dispatches

PARIS, Tuesday, March 20.—All air traffic was suspended over France early today as the Air Force began handing traffic control operations back to civilian controllers.

Traffic was halted at midnight local time and was to be resumed at 8 a.m.

Unions representing a non-striking minority of France's 1,500 civilian air-traffic controllers voted to return to work tomorrow regardless of the attitude of the striking majority.

About 800 controllers stopped work on Feb. 20 to support their demand for higher pay and recognition of their right to strike. Transport Minister Robert Galley declared the strike illegal and replaced the entire civilian control system with a military emergency system, thus displacing non-striking as well as striking controllers.

Shortly after the military controllers took over, two Spanish jetliners collided over Nantes with the loss of 68 lives. The cause of the collision remains in dispute.

Many international airlines have boycotted or avoided French airspace since the accident, although scheduled flights at the weekend were back to 50 percent of normal.

The striking controllers held a series of late meetings last night to decide whether to return to work despite suspension notices that Mr. Galley's ministry sent to the strike leaders.

Germany's Lufthansa, Spain's Iberia and Greece's Olympic Airlines announced they will resume flights to France today.

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## Laos Leader Appeals to Reds As Coalition Deadline Nears

By Malcolm W. Browne

HAN NA KONG, Laos, March 19 (UPI)—With the deadline for forming a new coalition government only four days away, Laotian Premier Souvanna Phouma has sent a third cable to the Pathet Lao leader, Prince Souphanouvong, appealing for urgent settlement of remaining problems.

Prince Souvanna's interior minister and chief peace negotiator, Pheng Phongsavan, disclosed the new appeal by the premier while making a speech to villagers today at this remote settlement near the Laotian border with both Burma and Thailand.

The occasion for the visit was the destruction by villagers of their latest crop of opium poppies and their promise to begin cultivating rice instead of poppies.

Under the peace agreement signed Feb. 21 by Mr. Pheng and the chief negotiator of the Communist Pathet Lao, Phoumi Vongvichit, a new coalition government was to be formed within 30 days.

The two sides also were supposed to have mixed military surveillance teams in the field by next Friday and to have signed a protocol on peace-keeping procedures, including the role of the three-nation International Control Commission.

Troop Pullout

Within 60 days after formation of a coalition government, all foreign troops are supposed to be withdrawn from Laos and all prisoners repatriated, including possibly as many as several hundred Americans.

But as yet, Mr. Pheng said, there has been no final agreement.

"As you know," Mr. Pheng told newsmen, "the Pathet Lao opposite Mr. Phoumi, is still in Sam Neua (the de facto Pathet Lao capital). Until he returns to Vientiane, we are not going to get much done. Only he has authority to make the major agreements."

Nevertheless, Mr. Pheng said, he remained optimistic that settlement would be reached quickly and that within the next few days a military protocol would be signed on peace-keeping procedures.

"There are various possible reasons," he said.

Mr. Pheng said there were "four" reasons for the delay: the two American pilots at the controls of the DC-4; the identities were not immediately made public.

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## 62 Are Killed In Vietnam on Civilian Plane

SAIGON, March 19 (UPI)—

An Air Vietnam DC-6 passenger plane with 62 persons on board exploded in mid-air today and crashed in the South Vietnamese Central Highlands. Officials said there were no survivors.

The four-engine, propeller-driven plane was on the way from Saigon to Ban Me Thuot. It crashed about 145 miles north of the capital.

No cause was given for the accident but Pham Duong Hiep, director of public affairs, said the weather was "very bad."

An airline source said the plane "went straight in from about 2,000 feet while making a landing approach."

It was the first major commercial airliner crash in South Vietnam since a C-47 Pacific Constellation jet exploded on the Central Highlands on June 15, 1972. Eighty-one persons died in that crash, caused by a bomb placed aboard the plane. A Thai policeman later was arrested and charged with murder.

American at Controls

Mr. Hien said there were final messages by radio from the two American pilots at the controls of the DC-6. The identities were not immediately made public.

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## Reds Attack Ranger Base

(Continued from Page



## On Grand Jury Questioning

## High Court Bars Newsman's Plea

WASHINGTON, March 19 (AP)—The Supreme Court today refused to hear reporter Peter Bridge's plea that grand juries be required to show a compelling need before they question newsmen.

Mr. Bridge was jailed for 31 days for refusing to answer some questions in a grand jury's probe of allegations involving the Newark, N.J., housing authority. The high court rejected his

appeal of state-court rulings that upheld his citation for contempt of the Essex County grand jury. The brief order dismissing the appeal came without dissent. In other action today, the court:

• Ruled, 6 to 3, that universities cannot impose regulations on free speech if those regulations are stricter than the First Amendment. The high court reversed a lower court's ruling

## Watergate Prober Threatens Senate Arrest of Nixon Aides

By Bob Woodward and Carl Bernstein

WASHINGTON, March 19 (UPI)—Sen. Sam J. Ervin D., N.C., said yesterday that he would seek the arrest of any White House aide who refuses to testify before the Senate's select committee investigating the Watergate bugging case and related political intrigues. "I'd recommend to the Senate they send the sergeant-at-arms of the Senate to arrest

White House aide or an other person who refuses to appear," Mr. Ervin, who is chairman of the select committee, said on a television interview program. Sen. Ervin's remarks appeared to be a direct challenge to President Nixon, who asserted last week that his aides have an executive privilege not to appear before Congress. Mr. Nixon also said that he would welcome a test of the executive privilege in the Supreme Court.

Observing that "the President has some peculiar notions about executive privilege," Sen. Ervin said: "And I'd suggest to the White House aides that if anybody has to go to jail on account of the invocation of executive privilege, that it will not be the President, it will be the White House aide."

**Contempt Action**  
If the Watergate committee is informed by a court test that it may delay its inquiry "for two or three years," the senator continued, he will not hesitate to recommend that White House aides be held in contempt by the Senate. If convicted, they could be held until purging themselves by agreeing to testify, according to legal authorities.

Sen. Ervin's statement is the strongest indication to date that the Senate may force a direct confrontation with the White House on the issue of executive privilege. Sen. Ervin, 70, a former state supreme court judge, is expected to be a member of both panels.

Last week, President Nixon referred to Sen. Ervin as a "great institutional lawyer."

In a more immediate challenge, the White House on executive privilege, Sen. Ervin also said that it was on the nomination of L. Patrick Gray 3d to be permanent



Senator Sam Ervin.

director of the FBI should be delayed "until after the Watergate affair is fully investigated by the select committee."

Sen. Ervin opposed Mr. Nixon's decision not to permit presidential counsel John W. Dean 3d to accept the Senate Judiciary Committee's invitation to testify—although Mr. Nixon will allow Mr. Dean to answer questions in writing. The Judiciary Committee, of which Sen. Ervin is a member, currently is considering the Gray nomination.

Mr. Dean was asked to testify on allegations that he may have misused FBI files on the Watergate investigation. He received the files from Mr. Gray.

Asked about Sen. Ervin's statement concerning possible arrest of White House aides who refuse to testify, presidential press secretary Ronald L. Ziegler reminded newsmen today that Mr. Nixon has said "we will co-operate to provide information to congressional committees." Then he said:

"Sensational statements about forcing White House aides to testify should not obscure the central fact that the President will provide information consistent with his responsibility to uphold the doctrine of separation of powers."

Mr. Ziegler said Attorney General Richard Kleindienst already had met with Sen. Ervin to work out procedures to deal with information in FBI files.

The FBI has offered to make its files concerning Watergate interviews available to congressional committee members. But President Nixon said last week that such "raw files" should not be shown to committee members but only to chairmen because of the danger of leaks to the press.

which held that the University of Missouri could expel a graduate student who distributed on campus a newspaper which the university considered indecent. "The First Amendment leaves no room for the operation of a dual standard in the academic community with respect to the content of speech," the court said.

• Decided, 6 to 3, that states can impose residency and registration requirements of up to 50 days on voters in state and local elections. The ruling relaxed an earlier decision by the high court which had set a 30-day period.

• Agreed to hear a government plea that prosecutors be allowed to use at least some evidence gathered in unconstitutional searches. At issue are questions of how far police may go in searching suspects and whether all evidence must be tossed out if it comes from searches that went beyond constitutional bounds. The questions are raised in the government's appeal of a decision by the U.S. Circuit Court in Washington, which overturned the conviction of Willie Robinson Jr. for possession of heroin. The Circuit Court held that 14 capsules of heroin found in Robinson's cigarette package when he was arrested for a traffic violation in 1968 could not be used against him because he was searched more thoroughly than required for the officer's protection against concealed weapons, thus violating the Fourth Amendment prohibition of unreasonable searches and seizures.

• Accepted an appeal by the Communist party of Indiana challenging the constitutionality of a so-called loyalty oath required by the state. At the same time, the high court dismissed an appeal by the state seeking to reinstate a portion of the oath struck down by a lower court in a challenge by the Communists and two other small political parties. Both the state and the Communists appealed the same decision by a three-judge court Sept. 29, 1972, which had satisfied neither.

• Affirmed without comment a lower court's ruling that preferential treatment for veterans in public employment is constitutional. The ruling by a three-judge federal court on a Minnesota law was appealed by a wide spectrum of plaintiffs representing such nonveteran groups as women, some armed forces reservists, men disqualified for service for physical reasons and a Minneapolis governmental body claiming it was denied the best available employees.

## Chilean Leftists Steal the Show

SANTIAGO, Chile, March 19 (Reuters)—Leftist extremists took over a film theater in the city center here and forced the projectionist to screen slides showing Marxist propaganda instead of the feature film, police said.

One group of men armed with automatic weapons and Molotov cocktails forced the projectionist to show the slides and play a record of the "Internationale" last night while another group menaced spectators who complained about the interruption, police said.

The extremists fled before police arrived. They left behind propaganda leaflets signed by the "People's Revolutionary Army." Police sources said it was the first that they had heard of this group.



DIPLOMATS AT PLAY—At the invitation of the Panamanian government, UN ambassadors spent the weekend on Contadora Island in the Pacific Ocean, away from the limelight of their special session in Panama City. Top—Soviet Ambassador Jacob Malik in a straw sombrero. Bottom—U.S. Ambassador John Scali talking with his Yugoslavian counterpart, Lazar Mojsov.



## China Backs Panama's Claim To Canal Zone at UN Meeting

PANAMA CITY, March 19 (UPI)—China told the United Nations Security Council here today that the United States has imposed colonial rule in the Canal Zone. It said Panama's claims for control of the area were just and reasonable.

Although siding with Panama against the United States on the canal issue, Chinese Ambassador Huang Han's address was mild in tone, especially when compared with the vehement attack on the American position last week by Cuba.

Mr. Huang, first of the Big Five ambassadors to address the special Council session, now in its third day, said:

"The Panamanian government's position is just and its demand [for the Canal Zone] reasonable. We firmly support them."

"An Unequal Treaty"  
He said the United States "imposed an unequal treaty on the Panamanian people, whereby it has forcibly occupied the Panama Canal, stationed large numbers of troops in the Canal Zone and enforced colonial rule there."

## British Camper Slain in France, Son Is Wounded

SALON DE PROVENCE, France, (Reuters)—A 60-year-old British teacher was killed and his son wounded early today as they camped in their trailer in an isolated area of southern France.

Passing motorists found the teacher, John Basil Cartland of Brighton, near the trailer, which was on fire. He had been stabbed with a knife and clubbed with a baton.

His son, Jeremy Brian, 26, was discovered nearby with stab wounds. He was rushed to a hospital in Salon, where a doctor said his condition was satisfactory.

The attack recalled the murder of British scientist Sir Jack Drummond, his wife and daughter, in an isolated part of southern France less than 60 miles from here in 1952.

Police said Mr. Cartland and his son were apparently heading for the village of Jouques, where Mr. Cartland owned land.

They could not explain why the two men had camped when they were only an hour's drive from Jouques.

Police said they found no money in the car or trailer. Their theory was that the attack was a robbery carried out by passers-by who came on the trailer by chance.

**Swallows on Time**  
SAN JUAN, CAPISTRANO, Calif., March 19 (AP)—The swallows of Capistrano returned to their nests at the California Mission today. St. Joseph's Day, as they have for nearly 200 years.

A spokesman for the mission said the birds, returning from their winter nesting grounds in Argentina, appeared shortly after 8 a.m. and descended on the mission "in swarms." The mission's bells were rung as the birds appeared.

## Intensive Winter Weather Sweeps Over Most of U.S.

NEW YORK, March 19 (AP)—Winter renewed its grip on most of the United States today with high winds and heavy snowfalls in the East, severe flooding in the South and rain and snow in the West.

A storm hit the Great Lakes region during the weekend, leaving as much as 21 inches of snow in lower Michigan, and flooding towns on the Ohio shores of Lake Erie.

The cleanup continued today as snows lingered in the East and winds from 35 to 75 miles an hour created 20-foot waves on the Great Lakes and 10-foot snowdrifts ashore.

Gale warnings were posted for Lakes Huron, Erie and Ontario and for the Atlantic coast from New Jersey to Maine as the storm moved out of the United States.

**Waters Receding**  
About 5,000 persons were stranded on highways in lower Michigan and many roads remained closed early today.

About 400 persons earlier took

refuge in churches and schools in Michigan. Floodwaters in Bay County were receding and residents began to return to their homes. No deaths were directly attributed to the storms, but several persons suffered heart attacks while awaiting rescue.

Dozens of families in the Rochester, N.Y., suburb of Greece, one of the hardest hit by lake waves, stayed with friends and relatives last night. Lake Ontario is at its highest level since 1952.

Floodwaters continue to affect areas of the lower Mississippi Valley, Mississippi, Alabama and Tennessee. Property damage is estimated at \$35 million and more than 1,000 families have been forced from their homes in Chattanooga, Tenn. Tennessee's governor has asked President Nixon to declare 39 counties a disaster area.

In Mississippi, Gov. Bill Waller estimated flood damage at \$23 million, and said the Delta region was "almost one solid sheet of water."

An intense storm off the Washington coast has brought rain to the Pacific Northwest. Gale warnings are up from the northern California to the Washington coast. Winds were measured at 60 miles an hour.

Light snow or rain touched the Rockies and moved into the Plains region. Temperatures before dawn ranged from 11 at Evanston, Wyo., to 68 at Corpus Christi, Texas.

**12 Die in Canada**  
TORONTO, March 19 (Reuters)—At least nine persons were killed and 30 injured in a multi-vehicle crash in southern Ontario caused by floods and a snowstorm that has forced thousands of persons to abandon their homes.

Waves of Lake St. Clair and Lakes Erie, Huron and Ontario flooded waterfront homes. Winds ripped 11 ships from winter moorings on Lake Huron and a store, tourist lodge and two cottages slipped into the lake.

The fatalities were caused when 12 vehicles, including a bus and two trucks, piled up yesterday in a snowstorm on a highway near the town of Barrie.

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MOSCOW, March 19 (UPI)—Unauthorized gatherings, until now considered petty hooliganism under Soviet law, will be a criminal offense under a new Supreme Soviet decree, a dissident source reported.

The source said dissidents first learned of the decree, which has yet to be published, when Soviet secret police officers referred to it when questioning six Jews, who staged a protest sit-in last week at the KGB's Lubyanka headquarters.

The source said there was no indication what penalties could be imposed under the new decree, but believed they certainly would be harsher than the 15 days in jail for petty hooliganism.

Meanwhile, premeditated crime, robbery and theft in the Soviet Union fell 4.6 percent last year, Interior Minister Nikolai Shchekolov reported Saturday.

## Canadian Shrine Bars Ransom of Founder's Heart

MONTREAL, March 19 (UPI)—Officials of a Catholic shrine said yesterday that they would not give in to ransom demands for the glass-encased heart of the shrine's founder, Brother André.

The heart was stolen late Thursday or early Friday from a glass cage fastened to a marble podium inside the shrine of St. Joseph's Oratory.

A local newspaper said Saturday that it received an anonymous phone call warning that the heart, which is preserved in a formaldehyde solution, would be destroyed unless the oratory paid \$50,000 in ransom.

A spokesman for the Journal de Montréal said the male, French-speaking caller told the newspaper, "Don't think this is a joke. The church has the money and it must pay."

The caller did not give any instructions for paying the ransom, the spokesman said.

In a statement, the oratory asked concerned citizens not to raise any money to meet the demand.

Brother André became a legend during his lifetime for leading people to health through faith and devotion. His heart had been on display at the oratory since his death in 1937 at the age of 91.

## Man Killed as Train Is Derailed in Ohio

EAST PALMISTONE, Ohio, March 19 (AP)—One man was killed and at least 17 injured yesterday when Amtrak's Broadway Limited passenger train with 167 persons aboard jumped the track in a heavy snowstorm, an Amtrak spokesman reported.

The Ohio Highway Patrol reported that the train, on the way to Chicago with sections from New York City and Washington, D.C., derailed about a mile west of the Ohio-Pennsylvania line.

## Security Session In Helsinki on 2d Agenda Point

HELSINKI, March 19 (UPI)—The participants at the preparatory talks for a European security conference have agreed on a framework of the first agenda heading and started deliberation on the second group of agenda proposals, Western conference sources said today.

The ambassadors of 32 European countries, the United States and Canada met in a plenary session and "marked the fact" that the parallel working group can now move ahead to deliberate the second agenda group, the sources said.

The framework from which the 34 nations are trying to hammer out the first agenda heading for the full conference includes two points: principles governing relations between the states and military aspects of European security, the sources said.

The latter topic is, according to the sources, divided into two subgroups, which are confidence-building measures and a possible link between the security conference and the East-West troop-reduction talks that are stalled in Vienna.

The sources said the participants still hope to be able to work out all four groups of agenda proposals—including also cultural and human contacts and the follow-up conference—before the third preparatory round ends April 6.

## Britain, Spain Agree On 2d Phone Cable

LONDON, March 19 (Reuters)—The British Post Office and the Spanish Telephone Co. have signed an agreement to share equally the cost of a new multimillion-pound cable designed to carry up to 1,380 telephone calls simultaneously between Britain and Spain, the Post Office announced today.

The 475-nautical-mile cable is expected to be laid by the British cable ship Alert in the spring of 1975 and should be in operation later the same year. It will be the second cable directly linking the two countries.

## Rockefeller Takes Stand In N.Y. Race

Backs Robert Wagner As Mayor Candidate

By Maurice Carroll

NEW YORK, March 19 (NYT).—Gov. Nelson A. Rockefeller endorsed Robert F. Wagner, former mayor of New York, yesterday as "a man who can lead and heal this city." Politicians said that his endorsement sealed the deal that would give Mr. Wagner the Republican and Liberal lines for mayor in this year's election.

The two-party combination—the same team that ran John V. Lindsay in 1965 to save what was called "a city in crisis" after 12 years in which the Democrats under Mr. Wagner held City Hall—was put together despite the public protests of four of the city's five GOP county leaders.

But the governor, apparently confident that he could get Mr. Wagner on the Republican line, issued a statement effusive in its praise of the former mayor.

**Challenge Awaited**  
Politicians said that the statement had been held up until Mr. Rockefeller was certain there would be no challenge in the Republican primary from state Sen. John J. Marchi of Staten Island, who reportedly was furious at the idea of handing the line over to a cross-over Democrat.

The arrangement, politicians said, was for Mr. Wagner to stay out of the crowded Democratic primary in June. Four years ago, when he tried a political comeback in a similarly crowded Democratic field, he ran second to Mario A. Procaccino.

New York's Mayor John V. Lindsay, a Republican who turned Democrat, has said that he will not seek re-election.

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ΕΛΛΗΝΙΣΜΟΣ ΜΕΤΑΧΑ  
ΕΛΛΗΝΟΝ ΕΚ ΣΤΑΘΟΥΑΣ ΠΑΛΑΙΟΝ



## The Global Codfish War

It was only a couple of shots fired by an Icelandic gunboat across the bows of a British tug. No one was hurt; nothing was damaged. The British government, despite discussing such moves, probably will not send any ships to avenge the insult to its flag or to prevent a recurrence. As things go in this day of explosive violence, it was a very civilized incident. Nevertheless, it should serve as a reminder that something very like international anarchy prevails along the world's coastlines, a situation that is well laden with very dangerous possibilities.

There have been international agreements about space, and about the open sea. There are approaches, at least, to some form of joint control over the endangered species of the oceans and a recognition of a common interest in that portion of the globe whose resources are just beginning to be tapped. This holds much of promise for the future of the peoples crowding the land surfaces of the world, and whose pollution, or over-exploitation, might deprive man of his last hope for survival.

But the ugly head of selfish nationalism is also apparent in every discussion of the world's sea frontiers—and there is no solid basis of real law for the proper delineation of those frontiers. Long ago the notion that the range of land-based weapons should determine national authority over the open seas was outmoded; the three-mile limit remained for a long while as a relic of that theory—but it had become purely arbitrary.

The techniques of fishing, and the preserving of killed fish, changed almost as rapidly as the range of the guns. Everyone is aware

that the change from sailing whalers, sending off boats manned by harpooners armed with simple harpoons and lances, to swift vessels with explosive implements, based on floating factories that can process whale carcasses swiftly and with deadly efficiency, has almost obliterated the world's largest mammals. But much the same has happened to the fleets that pursue all food fish, and advanced countries send their ships to all the oceans, with equipment that can scoop up fish by the school, deep-freeze them at sea, and bring them home for sale and consumption.

This has threatened those countries whose local supplies of fish are a critical resource, and has led to the expansion of "territorial" claims to 12, 50 or even 200 miles of sea.

It is obvious enough that 50 miles of jurisdiction over the open sea cannot be accepted as an international basis—it would close far too many straits and become a definite hazard to navigation. But what limit can be set that would be fair to the nations whose fisheries are endangered by far-ranging fleets, without at the same time carving up much of the ocean into national sovereignties? What principles should underlie a settlement? The codfish war off Iceland is truly global in its implications—like the tuna wars, and the shrimp wars that persist in other areas. They are a challenge to world statesmanship, as is the tanker trade, so necessary to so many nations, so full of threats of polluting the seas. Somehow, national interests must be reconciled with those of the world at large—and the task is as intricate as any that diplomats have tackled in the war-harried regions of the earth.

## Bury the Shame at Wounded Knee

Two U.S. Phantom jets buzz a tiny village on an Indian reservation in South Dakota where the American Indian Movement has captured the town and taken 11 hostages. Federal marshals and FBI agents ring the place. Two U.S. senators come in by helicopter and try to negotiate a settlement in a tepee. Ultimata are issued and settlements are proposed. Gunfire breaks out and an FBI agent is shot in the wrist from a van that the Indians call their tank. The "hostages" say they're not really hostages at all and that they want to stay in Wounded Knee. The Indians declare the village to be an independent nation, call for Henry Kissinger to negotiate and appeal to the UN. The U.S. government seems indecisive and confused. And the American public seems befuddled and bemused by the whole thing.

But it really is not all that complicated. There are issues at Wounded Knee, both large and small and stated and unstated. It is, first of all, of no small importance that Wounded Knee was the place where the last of the great massacres of native Americans was committed in the name of the American people in order to secure the nation's "manifest destiny." An Indian named Black Elk could look back on that event from the vantage point of his old age and say, "A people's dream died there. It was a beautiful dream... The nation's hoop is broken and scattered. There is no center any longer, and the sacred tree is dead."

Nor is it inconsequential that a few weeks ago when a white man named Carlo Schmitz allegedly killed an Indian named Wesley Bad Heart Bull, he was charged with second degree manslaughter, a charge carrying a maximum sentence of 10 years. But when Indians protested—with violence ensuing—against that incident, Mr. Bad Heart Bull's mother was arrested on charges having a maximum sentence 20 years longer than that faced by the white man accused of slaying her son. So there is history at Wounded Knee and in South Dakota—both ancient and fresh—which helps explain what is going on.

The immediate and stated issues are pretty clear. The American Indian Movement regards the Oglala Sioux tribal president Richard Wilson, as an incompetent compromiser and an accomplished practitioner of nepotism and favoritism. They want him out, and they want to deal with a high official of the Interior Department concerning the tribe's problems. They also want to talk to the U.S. government about a number of

broken treaties—among them one guaranteeing the Indians' rights to their ancestral lands in perpetuity.

Behind the history and the demands, there is more. The Pine Ridge Reservation on which Wounded Knee is located is virtually a spiritual and economic sump hole. In a story recently published in The Washington Post Leroy F. Aarons reported that although the reservation is twice the size of the state of Delaware, "the bulk of the cattle that graze here is owned by whites. So are the trading post businesses. And the Oglala, except for a minority with steady Bureau of Indian Affairs jobs, live in some of the worst poverty in the United States." Almost 70 percent of the Oglala Sioux are unemployed or underemployed, and per capita income is \$300 a year. Economic programs are begun and then dropped by the government. Other programs seem designed to maintain the Indians at subsistence level. According to Mr. Aarons, a major impact of U.S. beneficence has been to make a large portion of the Oglala Sioux incapable of taking care of themselves.

The policy is, in other words, an abysmal failure which shames the United States—and that's just the point. The American Indian Movement effort at Wounded Knee represents another of those strangled cries of anguish from somewhere beyond the nation's vision, which the rest of us hear for a moment on the way to make our next mortgage payment. But Wounded Knee is more than that—it is also an opportunity. President Nixon has, on more than one occasion, voiced real compassion and understanding about the plight of native Americans. And he has called for greater Indian self-determination. Finally, he has demonstrated an exceptional capacity for declaring programs to be failures and for calling for new beginnings.

Let him do so now. The policies toward native Americans have been marked by dishonesty, failure, death and dishonor. The President could, if he would, acknowledge all of this. He could also use his moral force and the authority of his office to call a gathering of representatives of the Indian nations to begin developing—with Indian participation—programs that will last, that will have an increasing amount of Indian control and that will be aimed at preserving and enhancing the rich diversity of Indian life—at achieving self-sufficiency and self-determination. Perhaps in that way, part of the shame of the nation can be buried at Wounded Knee.

THE WASHINGTON POST

### International Opinion

#### France Says 'No' to the Left

To put it succinctly: The French voter has cast his ballot for stability and security, rejecting the leftist popular front and thus demonstrating that he is not prepared to accept the risks of an economic and political experiment the consequences of which would

have been unpredictable... The "crisis of institutions" which gave rise to the popular front has been postponed, but hardly eliminated. Pompidou's neo-Gaullism will have to seek new ways of adjusting the constitution, once tailored to "Le Général's" own stature, to fit new circumstances and needs

—From the Neue Zürcher Zeitung (Zurich).

### In the International Edition

#### Seventy-Five Years Ago

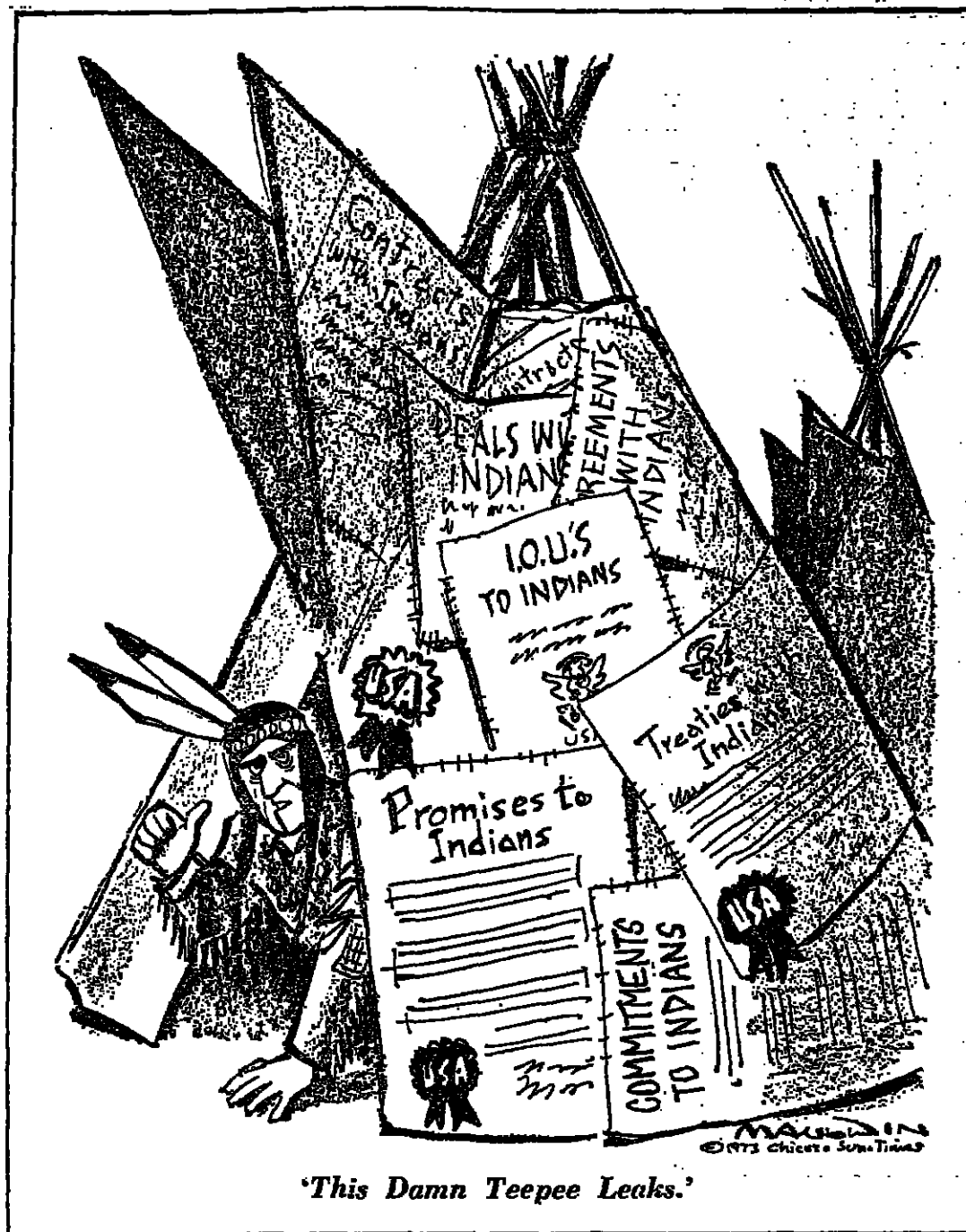
March 20, 1898

PARIS—A comedy-tragedy of an unusual nature was enacted in Paris in the early hours of the morning after the masked ball at the Opéra. Disappointment in love drove a man named Morice, alias Le Marquis, to fire two blank shots from a revolver into his mouth. But M. Morice thought his weapon was loaded with ball cartridges, and so strong was his imagination that he thought he was dying, and allowed himself to be carried to the Lariboisière Hospital to have the bullets extracted.

#### Fifty Years Ago

March 20, 1923

NEW YORK—Friends of 322 Russians of the old regime, held at Ellis Island, charged that the immigration quota works inequitably so far as Russians are concerned. To back up their statement they say that of the quota of 21,000 allowed for the year, 20,000 Jews cannot leave only 1,000 for all other classifications of Russians. Officials of the Department of Labor in Washington, say the Jews hustled and arrived first and, according to law, which makes no discriminations, have the right to land.



## Spain: A Promise of Change

By Henry Giniger

MADRID—Twice in a little over two months, the highest authorities of Spain have hinted at forthcoming changes in their authoritarian rule.

Among Spaniards who care about political matters, the words of Generalissimo Francisco Franco, who has ruled Spain for 34 years, and of his right-hand man, Deputy Premier Luis Carrero Blanco, have been greeted with expectancy tempered by a large dose of skepticism.

In his traditional year-end address to the nation, Franco, now 80, declared that "the political life of nations is one of continuous renovation and of constant progress." He said the National Movement, the only legal political vehicle in Spain, "will accentuate the participation of all Spaniards in political work, opening increasingly wide channels for the incorporation of those who feel concern for public affairs." And he quoted a previous statement, "In the world today, politics cannot be the property of minorities."

With this signal, the 70-year-old deputy premier, addressed the National Council, the highest body of the movement, on March 1 and instructed it to make recommendations to the government in seven sectors of national life.

These cover "concrete measures to widen the participation of the Spaniards in public tasks"; the basic orientation of national education and culture; criteria governing Spanish territorial unity, including the problem of regionalism; criteria governing the continued transformation of the economic and social structures; a special study of Spanish youth; criteria governing foreign relations, and a study of the relations between church and state.

In all these sectors, tensions have been created by the efforts of those who want to break out of the rigid frameworks within which they have been forced to operate.

The government itself faces a problem of its own making: the contradiction between its wish to integrate Spain with the European Economic Community and its adherence to institutions and practices that are unacceptable to the community's present members.

The National Council, a group of 109 tightly controlled for the most part by Franco, is expected to present its recommendations by July at the earliest. The debates will probably not be open to the public and the results are not expected to go beyond the prudent limits previously set by the government.

These limits are what cause the skepticism with which those who wish to liberalize Spanish life have greeted the government's initiative. "These people may well be a minority. The rush to join an increasingly affluent consumer society has produced more preoccupation with how to meet the next payment on the new apartment or how to beat the Sunday traffic. Politically aware Spaniards complain of the apathy of most Spaniards for how their country is run.

chairman on political grounds. When students seek to meet on their campuses, the police move in. When workers try to do the same, or engage in no stoppages, they are arrested or suspended without pay for weeks or months at a time."

The press is the only institution that has made noticeable gains in recent times, thanks to a new press law in 1966 that abolished censorship. Thus, a bi-

monthly called *Discusión y Convivencia* was able to say in its current issue that since its foundation in May, 1970, "the process of political development on the part of the state has not undergone the slightest advance."

But the press is subject to frequent fines and seizures when someone in the government feels it has gone too far in its criticisms, and skepticism is encouraged by these limitations too.

## Watch and Wait

By Anthony Lewis

LONDON.—The stories from Washington about alleged North Vietnamese infiltration southward in violation of the truce terms have had a well orchestrated quality. First, reports of the movement of men and arms were leaked. Then the Pentagon officially endorsed the field reports. Finally, the President spoke gravely of them at his news conference.

The tone of the warnings to Hanoi grew sharper also. The opening suggestion was that such infiltration could imperil any American aid for North Vietnam. Then Nixon, recalling his "actions over the past four years," said Hanoi "should not lightly disregard" his expressions of concern. It was left to commentators to make it explicit that this could mean renewed American bombing and mining.

Why this highly dramatized signal from Washington to Hanoi, this implicit threat of renewed American military action? After all, the Vietnamese parties have done a great deal of fighting since the truce was signed at the end of January, and there has been little American reaction. Few observers in South Vietnam doubt that both sides have committed truce violations, and they are continuing.

### A Distinction

The answer must be that the President saw in these particular reports a potential for something he could not ignore: a large-scale Communist offensive in South Vietnam. He explicitly drew a distinction between weapons useful for that purpose and routine resupply or reinforcement. Indeed, in contrast to Henry Kissinger's talk of North Vietnamese forces in the South "withdrawing away," Nixon seemed to accept their permanence by indicating that he was little concerned about the infiltration of "replacement personnel."

The distinction reflects the political realities inside the United States right now. Americans are on the whole relieved to see their country's role in the Vietnam disaster ending, and are prepared to close their eyes to much continued fighting among the Vietnamese. But if the other side moves too crudely and too quickly to upset the terms, Nixon might well have public support for intervening again.

Those who have thought for years that the United States was trying to impose its will by savage means on another people's conflict will find bitter irony in the sudden grave warnings from Washington to Hanoi. For once again the United States is viewing the situation with distorted partisan vision.

Any fair appraisal of the balance of weapons and supplies in South Vietnam could hardly

ignore the immense tonnage of American material pushed there after Saigon successfully objected to the proposed peace terms in October. There probably has been nothing like it in history.

For example, between Oct. 28 and Dec. 1 the United States got 608 aircraft to South Vietnam, enlarging Saigon's air force by nearly 50 percent; among them were 32 huge C-130 transports, 126 F-5A fighters and 90 A-1H light attack jets. As for ground supplies, this post-truce comment by a British correspondent says enough: "The government side is expending ammunition as if they were getting it free and as though there was plenty more where it comes from—both of which propositions are probably true."

The other point of partial vision is of course the way Washington does not see, or at least says nothing out loud about, Saigon's violations of the truce. The Communists were given a political quid pro quo for agreeing to the military terms: The right to compete politically on equal terms in the South, with civilian as well as military prisoners released and free speech and freedom of movement restored. The Saigon regime has so far simply ignored those provisions.

But those flaws in the official American vision, however bitterly one may regard them, cannot cancel out political realities. And so President Nixon's warnings have to be taken seriously.

The truth is that Hanoi would be extremely ill-advised if it had any idea of launching an offensive soon in the South. Its principal interest now should be "to play God in Southeast Asia, leaving the people there to decide their own future. That end can be achieved only by allowing time for emotions to fade—time for Americans to forget a war they want to forget."

Washington, for its part, should perceive that Saigon's violations of the truce also carry great potential dangers. If President Nixon's forces keep trying to nibble away at the other side's territory, keep bombing any village under Viet Cong control that foreign correspondents visit, keep refusing to release prisoners, keep prohibiting freedom of movement and political organization, the other side will at length almost certainly respond the way it knows how—by fighting.

A moment of maximum danger for this fragile standoff arrangement: say be at hand. A little more than a week from now the last American prisoners are to be returned. That will reduce direct American concern, but it could also weaken restraints on U.S. policy. It is in the interest of both Hanoi and Washington to keep their relations on an unprovocative course.

## Bernard Levin From London:

Only three British firms  
operating in South Africa  
—three—were found to be paying  
all their employees wages at  
or over the... minimum  
required for life and health...

LONDON.—Last week, in a long, scrupulously-researched, comprehensive, name-filled article (with follow-ups in succeeding days), a respected daily paper, The Guardian, tossed a bomb with a lit fuse into the lap of British industry. The metaphor might be thought unfortunate, as only a few days before that bombs had gone off in the streets of London. But the image was not a matter of finding workers even many workers, who could not make ends meet on what they were being paid. The exposed revealed that there is an accepted standard in South Africa, established after careful research, for the minimum income necessary for an African worker and his family to keep going—not to live in any kind of human decency and dignity, but simply to survive. Only three British firms operating in South Africa—three—were found to be paying all their employees wages at or over this level, the poverty datum line as it is called. All the rest were paying less than the minimum required for life and health, and many firms were paying only half or one-third of the minimum.

### Naming Names

The Guardian named names, and some of the names are household words in Britain. Tate and Lyle, which makes practically all the sugar eaten in this country; General Electric, a huge industrial conglomerate; Slater Walker, a vast ramified finance house; these and many, many more were named to account, and were shown to be paying either directly or through subsidiary companies running their South African interests, wages on which the recipients could do nothing but decline and die from deficiency diseases and starvation.

But the question of British industrial and business involvement in South Africa has become an increasingly delicate one in recent years. To start with, its extent is vast. British firms still account, despite the great increase in American investment, and that from other European countries, for at least half, and possibly much more, of the overseas stake in South Africa. And, looked at from the opposite end, investment in South Africa represents a large (the largest in any one country) proportion of all Britain's overseas holdings. From time to time, there have been rumblings of discontent at this state of affairs, but these were based on largely political grounds. Firms with interests in South Africa were said to be propping up the apartheid system there, and from time to time there would be a row

at some company's annual shareholders' meeting. But this kind of criticism could be, and was easily deflected; it was argued that the withdrawal of British investment and job-creating enterprises would not benefit Africans, but on the contrary make them worse off by throwing many out of work. With the new revelations, however, this argument cannot be used, and it should be noted in passing, incidentally that many of the firms, particularly the parent companies in Britain, are making vast annual profits—in some cases running up to tens of millions of pounds.

Well, if the argument the withdrawal from South Africa would only harm the African cannot be used, because what is being demanded is only that the firms which stay should pay the workers enough for them to be able on, what argument can be used by the firms under attack?

### Plea of Ignorance

The answer, alas, is depressingly predictable. Some firms are maintaining—in one or two cases truthfully, which makes in some ways worse that they didn't know how much they were paying their workers. Others have produced the even more outrageous excuse that the wages they have been paying are worse than those paid by other firms in South Africa—and this is almost incredible in that the particular excuse is outrageous, two different senses for the word suggest that it is not only true, and that some British firms have actually been paying less than the South African ones. Others have refused to discuss the matter at all, loftily declaring that it is no business of newspapers, and in one instance going so far as to say that it would have thought the public had enough to worry about at home without bothering about what was happening in South Africa—a remark which with a luck will cost that particular firm dear.

But the reactions right at the spectrum of excuses have one thing in common: plain evidence of guilty consciences. ready some firms have promised to increase African wages immediately, and as public pressure mounts—it is bound to, and have already been moves to in the matter in Parliament—will follow suit. It could be as a direct result, the improvement at least to subsistence of the living standards of millions, perhaps of tens of millions, of Africans, which would make it one of the most influential newspaper in class in history. Meanwhile, we conclude by naming the three British firms found to already paying Africans at the minimum necessary to keep them alive: They are the Unilever and Imperial Chemical Industries. It is not a long

### Letters

#### Israeli Customs

Harry Trimborn's article on the changes of tax and customs benefits for new immigrants to Israel (ET, Feb. 19-21) claims that these new restrictions aimed at reducing the amount of duty-free goods brought into the country by new immigrants that end up on the black market. In fact these new regulations were designed by the middle-class mentality of the government bureaucracy with its warped sense of equity. The basis for this kind of thinking is: "If former immigrants had to do without things when they first arrived, then the new immigrants should also have to do without—this is only fair, all men must start out the same."

The new regulations allow one to import duty-free goods only from his country of emigration. This rule is especially unfair to immigrants from the Soviet Union.

A gifted scientist from Russia was surprised to learn after he had arrived in Israel that he could not import goods duty-free except from his former home. Since there is no trade between Israel and the Soviet Union, he

cannot import any goods duty-free. His colleagues from Western countries are able to import duty-free goods. He was told that since Westerners probably had a "piece" of Israel they could be one here too. But the Russian probably did not have a "piece" there they came and they could not have tax-free privileges to get one in Israel. The "piece" officer explained: "don't want you Russians to think that you can raise your standard of living by coming here."

SERAGAY SILVERMAN  
Jerusalem.

#### An Analogy?

The case of the Libyan ship shot down by Israel is still being commented on and in many quarters Israel seems permanently the dock. Let us suppose that a Chinaman is flying over a small area in the Russo-Chinese border districts, and, being a Chinaman, is repeatedly summoned by the Russian forces to land but is trying to get back and "get away." What would happen?

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ice permit infant-accompanied young adults into Paris park, bar the others.

## Paris Park Closed to 'Youths' Between 15 and 40

PARIS, March 19 (UPI).—With the advent of a like weather, authorities have reactivated "Closed Doors," barring entry to the park du Luxembourg, one of the loveliest and most parks in Paris, to "youths between the ages of 15 and 40."

The police, which applies to its and Parisians alike, is designed to protect grass. Paris policemen guard all the gates members of the national paramilitary Gardes bleues, rifles on shoulder, patrol the paths. Those between 15 and 40, the only exception to the rule is for people with children in their arms.

last year, after a band of youths damaged the grounds and stripped to the nude to splash in a huge fountain where children normally sail small boats.

Today the Paris daily newspaper Le Monde, in an article acridly critical of the selective entry, quoted a park official as offering what it described as the supreme argument: "The silent majority wants respect for the flowers and grass lawns." The newspaper asked, "Why is Paris one of the rare capitals in the world to systematically prohibit walking on the grass?" and wondered if officials could not develop a harder rule.

—JACK MONET.

## Flying Downey, Fecteau Into China

## Two U.S. Pilots Died on CIA Mission in '52

by Thomas O'Toole  
WASHINGTON, March 19 (UPI).—Two civilian Americans who had been listed as in a flight from Korea in 1952 were killed flying a plane that took CIA Jack Downey and Richard Fecteau into Communist China.

Their names were pilot C. Snoddy and co-pilot J. Schwartz. At the time crash, both men were employed by Civil Air Transport, an air carrier that flew over the Far East for the Central Intelligence Agency's Agency for the Korean War.

State Department official Mr. Snoddy and Mr. Fecteau were on the plane with Downey and Mr. Fecteau crashed in Manchuria in November, 1952. Mr. Snoddy and Mr. Fecteau survived and were imprisoned. Mr. Fecteau died in 1971 and Mr. Snoddy two weeks ago.

have confirmed all this rate conversations with and Fecteau, the official. "We also have a bullet effect from the New News Agency in 1954, we have as reference in Friends Surprised

State Department's ad that Mr. Snoddy and Fecteau were pilots for Mr. and Mr. Fecteau survived former CIA men who put up with the case before their friendship with may. For years they had that the plane had been by Chinese Nationalists in Chiang Kai-shek's last 20 years. The State has told the families Snoddy and Mr. Schwartz two fliers were lost when a cargo plane went down on a flight from Japan. The State Department said that an "extensive" had been made for this re, but that they were dead.

## Asia Letting 5 Jews Leave Without Levy for Education

By Theodore Shabad

OW, March 19 (NYT).—Authorities waived emigration today for at least five Jews in what appeared to be start of an effort to congressional opposition United States to an attempt of trade with the Soviet Union.

sources said the five, two married couples, named to the Soviet Union and told they could Israel without paying duty normally levied on Jews with a higher education. Jews were notified to tomorrow.

## Hits E. Turkey

BUL, March 19 (AP).—un- strength earthquake eastern Turkey today, damage in the town of and outlying villages. At least 100 people were reported to have been killed and 150 injured.

## Ford Foundation to Continue Aid to Developing Countries

NEW YORK, March 19 (NYT).—The Ford Foundation, after reviewing the \$50-million-a-year assistance program to the poor countries of the world, has decided to continue its developmental efforts in the next decade.

At the same time, the foundation, the largest private charitable organization based on a family fortune, has disclosed that its diversified portfolio of stocks, bonds and real estate notes has grown to \$328 billion.

McGeorge Bundy, president of the foundation, said yesterday while making public its annual report that "we found no major geographic region that we should turn away from and no major present program concerns in which there was not more than enough need and opportunity to engage us effectively."

The foundation's contributions are of increasing importance, Mr. Bundy said, because of what he called "our government's retreat from development assistance."

"Indeed," he added, "if the case for help is as compelling as we think, then the very fact that the government decided to do less becomes one reason the more for us not to give up."

The foundation head acknowledged that a single private effort, even as large as that of its organization, could not begin to compensate for Washington's reduction in foreign aid.

"We cannot begin to compensate in dollar levels for what government does not do; even at the relatively low point of 1972, the Washington effort was 30 times as big as ours," Mr. Bundy said. "But to the degree that need is made more acute by limits on official assistance, the case for our own kind of help is strengthened."

He said that in 1975, the United States would be spending less than a quarter of 1 percent of its Gross National Product, or the total value of goods and services, on assistance to developing countries. "We shall be doing less than half as much, proportionately, as France or Canada or Belgium or the Netherlands or Sweden," he said.

Mr. Bundy said that the foundation's International Assistance Program, which accounted for about a quarter of the \$218.5 million that the foundation spent last year, was based on the belief that "the modern world is trying to make the worth of all human beings not an empty piety but an effective guide to action."

Despite talk of gaps between rich and poor nations, he said, underdeveloped countries have increased their per-capita income "at a faster rate than we or the European countries ever achieved."

In his report, Mr. Bundy stressed that the foundation would play a more modest role in dealing with poor nations and that, rather than depend on "imported experts," it would "support local institutions which are steadily more able to provide their own experts and chart their own courses."

The foundation reported that it dispensed \$6.6 million less last year than it did in 1971, largely because of adverse economic developments.

It said it showed a total return of 18.1 percent on its diversified portfolio of stocks in its most recent fiscal year.

By comparison, the total return on Standard & Poor's 500-stock index was 15.5 percent, and it was only 11 percent for the 30 issues in the last comprehensive but more popular Dow Jones Industrial Average. Total return in the investment income from dividends plus capital gains or losses, whether realized or not.

During the fiscal year ended Sept. 30, 1972, the total portfolio—including bonds and real estate notes—grew from \$326 billion to \$328 billion.

With a 3.3 percent rate of inflation during the foundation's fiscal year, the real total return was 14.3 percent on its equity portfolio.

At the end of the fiscal year, the Ford Foundation's equity portfolio amounted to approximately \$1.9 billion in market value, and it held about \$239 million of marketable bonds.

The total return on the foundation's bond holdings was 10.3 percent, which compares with 8.5 percent for an average of S&P corporate bonds.

## Tenor Lauritz Melchior, 82, Wagnerian of Heroic Stature

NEW YORK, March 19 (NYT).—Lauritz Melchior, one of the greatest Wagnerian tenors, died yesterday afternoon of complications following an emergency gall bladder operation at St. John's Hospital in Santa Monica, Calif. He would have been 83 years old tomorrow.

As huge in girth as he was in the power of his voice, the Danish-born tenor was hailed throughout his career as an operatic rarity—a thrilling actor with one of the greatest voices in the tradition of the "heldentenor," or heroic tenor, that Wagner's demanding operas called for.

From 1926 to 1950, Mr. Melchior sang well over 1,000 operatic performances, more than three times the number any other Wagnerian artist had ever sung. His voice had enormous range, warmth, strength, clarity and—perhaps most difficult—seeming effortless. Audiences around the world continued to enjoy his concerts and recitals well after his departure from a long career at New York's Metropolitan Opera in 1950.

Mr. Melchior also indulged freely in lighter music and popular appearances on radio. He even sang the National Anthem at baseball games of the Dodgers in Los Angeles, where Mr. Melchior moved after 1950.

"The Great Dane" He was a massive figure on the stage—6 feet, 4 inches, 230 pounds. His friends called him "The Great Dane." And his exuberance in living was equally exuberant. His story personality led to his departure from the Met in 1950 over disputes with the company's then new general manager, Rudolph Bing, a man also known for his volatile temperament.

But Mr. Melchior was also a lover of practical jokes and big game hunting. Some of the costumes he wore were made from skins of animals he had shot. Once, Mr. Melchior secretly removed a friend's Stradivarius violin from its case, substituted a cheap one and then stepped on it as the owner looked on in horror.

Lauritz Lebrecht Hommel Melchior was born in Copenhagen on March 20, 1890, the youngest son of a prominent headmaster. As a boy he served as a guide for his blind sister, Agnes, and other blind students at the Royal Opera. At 18, he began to study singing, winning admission to the school of the Royal Opera four years later.

He made his debut as a rather shaky baritone in 1913, moving to the tenor role five years later. It was Hugh Walpole, the British novelist, who, upon hearing him in London, encouraged him to go to Bayreuth to study Wagner. Eventually, he was urged on by Wagner's own widow and son.

Made Debut in 1926 In 1926, Mr. Melchior made his debut at the Met in "Tannhauser." It was less than auspicious but after that, his career was meteoric. In 1946, the Met celebrated his 50th anniversary in a special performance that was a triumph for Melchior—one act each from three Wagner operas. Four sopranos had to alternate in singing with him.

"The demonstration," one critic wrote, "proved, to the satisfaction of all present, that Melchior is not only the most durable, but also the greatest of Wagnerians."

After his well-publicized dispute with Mr. Bing in 1950—centering on, among other things, the singer's heavy outside concert schedule and his indulgence in popular music—Mr. Melchior appeared in several movies in an effort to entice people to enjoy serious music. He made a point of singing concert versions of operas in cities without opera houses. Nine years ago, he created the Lauritz Melchior Education Foundation to give financial grants and other encouragements to the type of singing Mr. Melchior feared was becoming a dying art.

Mr. Melchior became a U.S. citizen in 1947.

He once was asked what makes a good singer. "You have to have personality," he said. "You have to learn how to use both. You know, 80 percent of an artist is his personality."

Mr. Melchior was married three times. His first marriage was to Inger Rasmussen in Copenhagen in 1915. They were divorced in 1925. Later that year, he married Maria Bakker, a European film star. She died in 1953.

His third marriage, to Mary Markham, his former secretary, in 1964, ended in divorce after six months.

Walker Stone  
WASHINGTON, March 19 (AP).—Walker Stone, 68, retired editor in chief of the Scripps-Howard newspaper chain, died yesterday of a heart attack at his nearby country home.

Mr. Stone had been 42 years with Scripps-Howard, all of them in Washington, before retiring four years ago. He had continued as chairman and president of the Scripps-Howard Foundation and was a director of the parent Scripps-Howard organization.

Mr. Stone was a native of Okemah, Okla., and after graduation from Oklahoma State University, came here to study law. He took a job as a copywriter on the Washington Daily News, which was purchased by the Washington Star last year, to finance his law studies but liked it enough to stay on and become a reporter.

He became editor in chief of all Scripps-Howard papers in 1952.

## Roland Dorgeles

PARIS, March 19 (Reuters).—French novelist Roland Dorgeles, 86, died here last night.

Mr. Dorgeles rose to fame when his first and best-known novel, "Les Croix de Bois," (The Wooden Crosses), a vivid account of the sufferings of French soldiers in the trenches of World War I, received the Prix Femina literary prize in 1919.

He became a member of the Goncourt Academy, which awards France's top literary prize, the Prix Goncourt, in 1929, and had been its president since 1955.

## Sylvia Sullivan

NEW YORK, March 19 (AP).—Sylvia Sullivan, wife of television personality and columnist Ed Sullivan, died Friday.

## Gold Tiger's Head Sells for \$14,000

LONDON, March 19 (UPI).—A small, gold tiger's head, which once adorned the throne of Tipu Sultan, sold at auction today for \$14,000. The jewel-studded head went to a private buyer at a Christie's sale.

It was one of eight tiger heads on a railing around the throne of Tipu Sultan, who ruled the south Indian state of Mysore in the late 1700s.

## Graham in S. Africa

DURBAN, South Africa, March 19 (UPI).—A multiracial crowd of 50,000 persons packed a sports stadium here Saturday to listen to American evangelist Billy Graham address his first rally in South Africa.

Usual race segregation regulations were lifted for the rally—a concession by the government to Mr. Graham's insistence that he would only address integrated audiences.



Lauritz Melchior AP.

## 8 Brazilian MPs Imprisoned in 4 Torture Deaths

RIO DE JANEIRO, March 19 (Reuters).—Eight Brazilian military policemen have been sentenced to jail for torturing to death four soldiers last year.

The sentences passed down this weekend must be ratified by the supreme military tribunal.

One of those sentenced, a lieutenant colonel who was commander of an armored battalion, was jailed for seven years. A captain, a lieutenant, three sergeants and two corporals received sentences ranging from 58 to 84 years. Two members of the civilian police, also found to be involved in the killings, were sentenced to one and two years.

The four murdered soldiers, all aged 19, were tortured to death after being arrested on suspicion of being connected with vice and narcotics trafficking, the court was told.

## Cheese Fanciers Of France Urged To Bigger Effort

PARIS, March 19 (AP).—French cheese manufacturers said today they have a hard time getting the average Frenchman to eat enough of their products.

Although he eats more cheese than anyone else in the world, about 30 pounds a year, the amount the average Frenchman consumes is growing only marginally, the Society for the Expansion of Agricultural and Food Products Sales said.

A television campaign to counter the trend began today with the theme "You should always leave some room for cheese."

## Mrs. Gandhi's Power Seen Sapped by Political Instability

By Bernard Weinraub

NEW DELHI, March 19 (NYT).—Political turmoil in two Indian states has jolted the government and thwarted Prime Minister Indira Gandhi's efforts to cement her power across the nation.

Within recent months the crisis in the two states, Orissa and Andhra Pradesh, has resulted in the collapse of their governments, the suspension of their assemblies and the temporary imposition of "president's rule" by the New Delhi government.

On one level the bitter problems in the two states are perennial for India. In Andhra Pradesh, politicians and students are demanding that the state split apart, a move Mrs. Gandhi opposes on the grounds that it would lead to a chain reaction in other states. In Orissa, the chief minister, Mrs. Nandini Satpathy, was forced to resign after a wave of party defections and backstage political intrigue.

Instability, Erosion On a second level, however, the problems point up the restless instability within the country and, to many, the erosion of Mrs. Gandhi's power and authority. This power has clearly ebbed since last year, when the nation was euphoric over defeating Pakistan in the war that created Bangladesh.

Food shortages, rising prices and economic uncertainty have further loosened Mrs. Gandhi's grip.

The crises in the two states are sharply different, but one common factor spurred the instability in both governments. In Orissa and Andhra Pradesh, Mrs. Gandhi had hand-picked the two chief ministers against the majority will of the state legislatures. Normally the local legislators selected the chief minister, a practice permitted by Mrs. Gandhi's predecessor, Prime Minister Jawaharlal Nehru, Mrs. Gandhi's father.

"Mrs. Gandhi made a conscious political decision to try to run the states," said a Western political analyst here. "She often picked people without any real base in the states; she sent some of them out from New Delhi and she picked a fair number of Brahmins. Now for different reasons in two different states the political strategy has failed."

Era Seshiyar, the parliamentary leader of a powerful regional party from Tamil Nadu, in southern India, said "unless a leader has strength or roots in a state, he won't be able to face a crisis. And this is what's happening now."

"Smell of Violence" Mrs. Gandhi has hand-picked chief ministers in six states besides Orissa and Andhra Pradesh—Assam, Bihar, Madhya Pradesh, Mysore, Gujarat and West Bengal. Brahmins, the dominant caste group, were selected in six of the nine states. Except for West Bengal, virtually all these states are politically unstable. India has 21 states.

"The smell of violence is in the air, and the mood of indiscipline in the country is naturally eroding the Congress's [the governing Congress party] prestige," G. K. Reddy, a columnist for the Hindu, a prominent newspaper, wrote recently.

Mrs. Gandhi's immediate problems in the two states are wholly unresolved. In Andhra Pradesh—where 55 persons have been killed in separatist violence—Mrs. Gandhi is struggling to keep the state intact and let tempers cool. The dispute focused on the demands of many Andhra Pradesh residents to turn the nine economically backward western districts, called Telengana, into a separate state.

In Orissa, new elections are due within a year after the resignation of Mrs. Satpathy, whose coalition support dwindled under stable opposition from landowners, businessmen, princes, contractors and local politicians resentful of Mrs. Gandhi and her effort to dominate the state through Mrs. Satpathy.

## Cache of Hashish Found by Dutch

ROTTERDAM, March 19 (AP).—Nearly 5,000 pounds of hashish, described by Dutch police as the largest single cache ever uncovered in Europe, was found in a cock-area warehouse Saturday packed in cans marked "food-stuffs."

Ninety cans, each weighing 55 pounds and said to have a total value of \$1.1 million, were accidentally discovered when three men were caught trying to break into the warehouse, police said.

According to the police, the hashish was brought into the Netherlands by a Pakistani ship last week. They refused to disclose the ship's name.

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## Around the European Galleries

### Milan

Tancredi, Drawings. Dell'Ariete Gallery, 5 Via S. Andrea, Milan, through March.

The city of Milan, commercially one of the leading, if not the leading art center in Europe, recently honored Tancredi, one of Italy's few authentic abstract expressionist painters, with a retrospective. In its wake the Ariete Gallery which owns a great deal of Tancredi's estate, is showing a group of his marvellous self-searching drawings.

Born near Venice in 1927, Tancredi drowned himself in the Tiber at the age of 35. His development, slow and at times unsure, is an object lesson. He was a relatively unsuccessful painter who followed his own path and never gave up his free spirit. His abstract paintings, lyrical meshes of swirls and brushstrokes, dense with movement, have been considered parallels to Pollock, but are really on a smaller, less reckless, more intimate scale.

Tancredi's drawings here on view, as is always the case with a totally committed painter, reflect his tensions and insights in an even better, more personal way than his oils. They veer from intricate linear abstraction to apocalyptic crowds of flame-like damned human beings, fine agitated lines describing tragic predicament. The groups of guarded naked bodies are dispersed across the pages and add up to the same poetic multiple vision as the brushmarks do on his canvases.

At another Milan gallery, Transart 13 Via Sacchi, to April 3, three cycles of Tancredi drawings are on view—"Bistoury," "The Mind Ones" and "Metaphysics."

Gianfranco Baruchello, Retrospective: Works from 1966, 1971, 1972. L'Uomo e L'Arte, 9 Via Brera, Milan, through March. Baruchello, roughly of the same generation as Tancredi, is less committed to formal painting and has experimented with films and other contemporary media. But his disquieting sagas and tales, invented or copied to look like symbols painted in bright colors and meandering daintily over glittering white surfaces, are hard to resist.

Toy airplanes fall and blossom into flame; doll satchels and tiny tool kits for guerrilla fight under landscapes drawn like textbook diagrams; rows of lollipops are agitated by underground rootlike levers; cuts of meat are as blood red as on a butcher's chart;

sundry modern gadgets, sayings and slogans have been invented in several languages. All these sophisticated printers slyly accuse the ills and injustices of our time.

The title of one of the pictures, "The Trip of Painting Around the Revolution," best illustrates Baruchello's attitude, the playful and diverting self-indulgence of his comic strip voyages inlaid with social-conscious messages, his very ambiguity.

Until recently these fantasies and allusions were clustered like bright solitaires or traveled in long spidery lines over the wide expanse of aluminum panels and had to be read one by one. Now the ferocious little things held to the space of smaller panels are less dispersed and, therefore, begin to make true pictorial compositions, to be seen as a whole.

His collages and drawings are too cerebral at times, but new adventures in bronze are a happy turn. In sculpture, Baruchello does not lose himself in detail at all; eggs and domes—once he called "The Paperweight of Dr. Freni"—pyramids and snakes are childishly tiny, definite and sparkling.

John Dowell, Drawings and Drawings with Watercolor. Schwarz Gallery, 17 Via del Gesù, Milan, to April 21.

Baruchello's devotion to the small, his use of writing patterns, is shared in a recent development among young artists in Italy and the United States. Dowell, who so far has exhibited mostly in American universities and teaches at Temple University Tyler School in Rome, also favors smallness and writing. But his India ink touches and scribbles, accented often by pools and puddles of color, are pastoral.

At times his work is like the annotations of Kandinsky's first, fast traveling abstractions; at times there are rows of deft spirals and calligraphy marching left to right—these are not really emblematic. They make for a secure and balanced image. When Dowell says he thinks of music when he invents his symbols, it is easy to believe.

Giuseppe Chari, Toselli Gallery, 34 Via Melzo, Milan, through March. (A selection of his work is also on view at Cortile, 51 Via del Babuino in Rome.) Chari is a great exception among composers and artists, generally called conceptualists, because whatever he is and does, he is essentially a dada poet.

Most of the "texts" exhibited in galleries these days—typed,

written or painted announcements, often under glass and framed—belong to the "art-language" movement, and refraining from describing "natural or intellectual phenomena," aim to make "traditional cultural differentiations vacillate" and must exist in themselves without allusion "as tools which contribute to an objective investigation," or so Catherine Miller writes a propos of Victor Burgin's "exhibition" of typed sheets at Tempio Gallery, 21 Via Monte di Pietà, Milan, through March.

Chari writes rings around these convoluted ideas and new dry puns. He attacks common-place preconceptions with a clear wit. Being a trained musician, most of his pronouncements refer to music, of course: "Play the violin in a streetcar." "Keep a television set going without image and after two hours feel its warmth." "Put your ear to an hourglass and listen to time."

These deadpan commands are often accompanied by good-looking scores (which make up most of the Rome show) and jottings (the Milan exhibition consists chiefly of these) and are always a challenge. Chari is bright. If the game must be played in this way, it might as well be played with irreverence and a good deal of grace.

Manzoni Nannucci, Salone Annunciate, 46 Via Manzoni, Milan, to March 27.

Nannucci is from Florence as is Chari, but he is younger. And like Chari, he is involved with avant-garde music, but working with "verbal structures," he uses words, not sentences. "Blue" in curlicues of neon, shines blue. But "Post," "Present" and "Future" are spelled in incoherent white tubes toward the top of white slabs. Wax crayon scribbles on tempera as in Jim Dine's smudged canvases covered with the names of his friends) explore all the possible variants of names of colors under a correspondingly colored glass—so that you may see the words "cerulean," "celastic," "bleu," "azzurro," "Antwerp," "Prussian," etc., under a blue glass and framed. Though one cannot find fault with these bland constructions, neither can one praise them.

Man Ray, Photographs: Christo, emballages, objects, photos and silkscreens: Beuys, The Arena. Studio Marconi, 15 Via Tadino, Milan, through March.

A portfolio of the 1920s, photographs by Man Ray which fore-

shadow many of the latest avant-garde ideas also have more flair than the latter and are more lighthearted. There is a photo similar to the wrappings of Christo on two of the floors of this huge, four-story gallery.

Christo's "Valley Curtain" and his packaging of such "holy" monuments as the equestrian Victor Emmanuel statue in front of the Milan cathedral two years ago and that of the Spoleto churches before, were valid spectacles. But here his smaller permanent wrappings, artificial roses, mannikins in plastic, have aged badly. An unpackaged pyramid of 28 paint cans looks best, but Salvador Mero's agglomeration of cans and boxes of all shapes seen recently in Rome, although in reality smaller, managed to look far more monumental. Photos of Christo events are more expressive than silkscreens of the same.

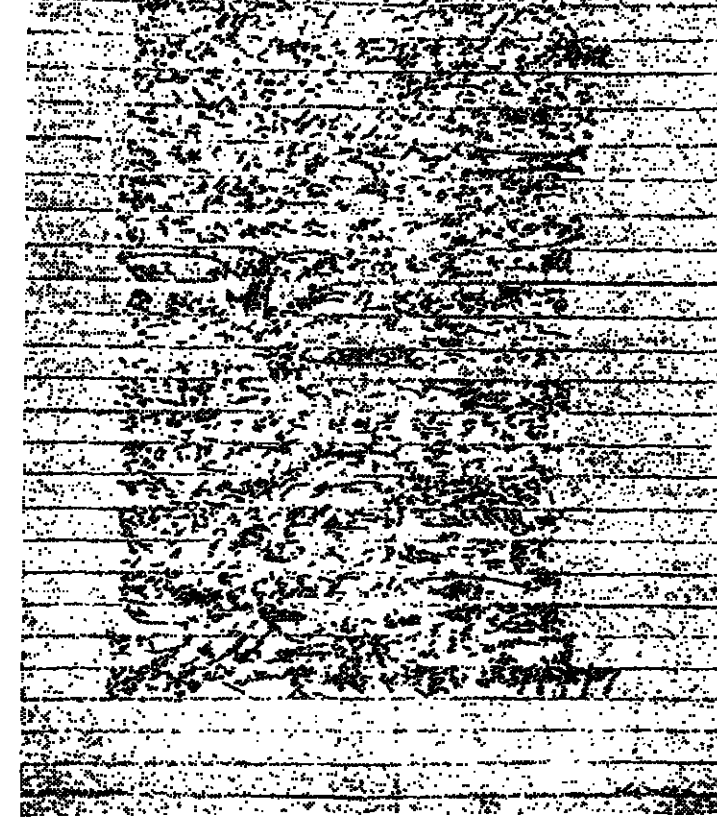
Documentation of a cycle of Beuys's actions in metal cases are stacked against the walls around a little heap of wax slabs enigmatically accompanied by a record of machine oil. In the center of the large space, Beuys in person will stage a new action on March 20. No two lectures or exhortations of this extraordinary modern magician and teacher are alike.

—EDITH SCHLOSS.

### Paris

Velickovic, Galerie Hervé Odeur, 85 bis Rue du Faubourg Saint-Honoré, Paris 8, Galerie du Dragon, 19 Rue du Dragon, Paris 6 (both to April 14) and La Pochade, 157 Boulevard Saint-Germain, Paris 6 (drawings and prints), to April 15.

The first two galleries mentioned above are exhibiting paintings by Velickovic, a 37-year-old Yugoslav who lives in Paris. Practically all the works displayed take their departure from the photographic sequences of Edward Muybridge showing human and animal figures in motion, a material which has also been used by Francis Bacon. Velickovic's theme is death, the collapse of organic existence in a baroque explosion of guts, and the violent events he portrays take place against a background of technical diagrams and ciphers. His vigorous brushwork is terse and allusively stenographic, the violent and sinister mood it expresses tends in my view to numb the viewer rather than to touch or affect him. At the same time these are works that have a strong impact



John Dowell's India ink drawing, "For Open Piano and Six Hands," on view at the Schwarz Gallery in Milan.

and that one does not easily forget.

Guarienti, Galerie Armand Zerbib, 10 Rue des Beaux-Arts, Paris 6, to April 15.

This is the first Paris exhibition of 50-year-old Italian painter Carlo Guarienti whose work has certain surrealist affinities and makes quite frequent allusions to well-known works of the past, misreading them with acid irony. His painted figures curiously bulge out into the third dimension on certain parts of the canvas, as in the self-portrait of the artist masked by the broken shell of a horseshoe crab—both the shell and the hand holding it up are in relief while the rest of the coolly colored canvas is normally two-dimensional. A bizarre sort of counter-ritual work emerging out of a private world.

Arts of the North American Indians, Galerie l'Oeil, 3 Rue Segur, to April 10.

This is said to be the first Paris exhibition of the art of North American Indian tribes—

and that one does not easily forget. painted buffalo hides, dancing masks, jewelry, plumage and staves, some 50 items in all from the Hopi, Zuni, Navajo and Sioux, direct and vigorous magic objects. The Indians themselves, incidentally, increasingly aware that they have been plundered over the past centuries, are actively trying to repurchase such items by making life difficult for people who own them.

Erra, Rancillac, Téliemage, Galerie Solel, 30 Rue de Miromesnil, Paris 8, to April 7.

What these three artists have in common is a certain simplification of pictorial syntax, but here the resemblance ends. Téliemage shows schematic objects on flat planes of color, Rancillac translates magazine photos into three-color works in which an arbitrarily chosen color stands for a given degree of brightness (there he portrays jazz musicians), and Erra is a kindred spirit to the draftsmen of Mad Magazine, speaking their language but more wildly than they do.

—MICHAEL GIBSON.

### THEATER IN LONDON

## The Myth and the Playwright—Williams and Shepard

By John Walker

LONDON (IHT).—It is strange that the theater of a country as young as America should rely so much on myth and stereotype, legendary or lay figures that writers can manipulate to their own ends. It is a device that links the mainstream—Tennessee Williams using a familiar collection of alcoholics to carry his message of tenderness and despair—and the modern—with Sam Shepard this week relying on a confrontation of gunslaying and cheerleader, of horse opera and science fiction, to convey his desolate, spasmodic vision of brainwashed conformity. That this approach is hardly new but still potent is emphasized, too, by a production of Brecht's "In the Jungle of Cities," set in the Chicago of 1912 and offering a no-holds-barred brawl between "The All American Boy" and "The Yellow Peril."

Tennessee Williams' "Small Craft Warnings," which has transferred from Hampstead (IHT, Feb. 3) to the Comedy Theatre, is an excellent play, if less than a masterpiece. It is finely performed, particularly by Elaine Strich, who wonderfully sustains the role of Leona, an aging, drunken woman, floundering in loneliness but refusing to be defeated by life, unlike the other derelicts with whom she spends her time. The play takes its evening in a highway at the Southern California coast. Mr. Williams's writing has the watery rhythm of the ocean outside, with long, swelling sentences that crash down in fury, slow surrations, and sudden gusts. It needs an audience as responsive to its language as are the actors.

On the second night, when I saw it at the Comedy Theatre, the audience was a curious, hostile audience—including an offensive drunk—that seemed different to the play's intent. In such circumstances, with the actors having to fight the audience all the way, the play's weaknesses were more evident. Nothing that Tony Beckley could do, for instance, could make his long speech on the devastating effects of homosexuality sound interesting.

At such an evening, it was the play's fine humor that survived best, the accuracy of observation and the revelation of character in such moments as Steve, a bleary-eyed cook, trying to discover why Leona has hit his girlfriend, or Monk, the bar owner and the play's only contented character, rhapsodizing over his derelict crush.

Sensitively directed by Vivian Matalon, the play contains performances that could hardly be bettered: James Berwick's befuddled Steve, Edward Judd's arrogant stud, George Pravda's nymphomaniac and Elaine Strich's Leona. Both, in their different ways, are exasperating women yet so compassionate is the acting, you come to care for them both.

"In the Jungle of Cities," adapted and directed by Keith Egan at the Place, is the first production of a new, adventurous group of young actors, most of them associated with Glasgow's Citizens' Theatre, who hope to establish a permanent London company. And good luck to them.

The auditorium has been transformed into a seedy boxing stadium, bedecked with gaudy traplamps, and the action mainly takes place in a boxing ring to emphasize the central struggle between a rich Malayan timber merchant—"The Yellow Peril"—and a poor country boy—"The All-American Boy."

The production has a visual excitement and style, with the swaggering actors adding to the raucous, sweaty atmosphere. But the play itself has disappeared beneath the baroque decorations and flourishes. Whatever point Brecht wished to make is lost amid a plethora of camp cowboys, whores, and a bearded lady. Nor is it helped by the interpolation of some Kurt Weill songs, seductively performed, between rounds. That the company has talent, daring, and energy is obvious. But the victor,

on a technical knockout occasion. On Wednesday, company adds Shakespeare's "Tempest" to its repertoire.

At opposite ends of the abstruse-surrealist spectrum at Fernando Arrabal and Shepard. Arrabal, a traditionally structured black humor, his "Cremation of a Murdered Black," received British premiere at the Hay a slight piece about two we be great actors whose time make-believe ends in gladder and lesser perversions. I know and Peter John play panache. The play, directed confined conditions by Ken Chubb, has a gruesome wit it that would be more off if acted with an intermission.

Mr. Shepard, one of the talented American writers living in England, is less interested in narrative. He tries stage poetry that fuses lay and myth. "The Unseen E" at the Royal Court's Theatre Upstairs in a gaudy production by Jim Sharman, suggests he has been reading William roughs and Heathcote. W. to no great advantage. The images that are central to play seem to more than 4 five and certainly lack the of "AC/DC" or "The Wild".

The unseen hand is the control that afflicts WILL extra-terrestrial mutated of superhuman intelligence comes to earth to enlist the of a legendary gunfighter 120 years old and living 1 week of the car on the 6 from A to Z in the U. Also around are the gaudy two resurrected brothers dead in the 1890s, and th an excessively patriotic leader who upholds all 6 tional virtues, despite being assailed by his team. The mythological mix seems jolly, although that is a fault of the cast, which is the talented Warren Clark the weird fascination of F O'Brien as Willie.

### ON THE ARTS AGENT

The "Humpulips Sh Shingle Mill" theater company, Wash., will "Eggs," an original play by member Mike MacVay at the Théâtre Rancillac des Vignes, Paris 10, night March 23 through April 10:30 p.m. Subsequent manes are scheduled in dan, at the Detrapaks 7 April 10 to 17, and the hagen Free University, A to 25.

The Musique Vivante ed under Diego Masson, w over the stage at Tex Pge ace Theater, 6 Rue du Montmartre, Paris, far weeks, Tuesdays through days, from March 20 t April 7. The emphasis is t temporary works, but the is from Monteverdi to works by Boulez, Berlioz, Kugel, Eloy, and whistle, and with the pal of the New Phonic 4, senile, clarinetist Michel trombonist Vinko Globokar, nst Georges Fiderman, Fontanarosa, Quintet, as Black Artists Group.

Berlioz's "The Damned Faust," staged by Louis Rapp, will have eight manes at the Lyons Opéra March 20 to April 1. Denise and Dany Barro alternate as Marguerite, Guy Chauvet as Faust and Soryer as Mephistopheles. Baudo will conduct the manes of March 20, 21, 23 t with Jean-Pierre Jacquod over March 27, 28, 30 and A.

Evelyn Lear will sing the schall in a new product Strauss's "Der Rosenk that will have its first 1 mance on April 3, and be re April 5, 8, 10, 13, and 14. Théâtre Royal de la Monn Brussels, Jules Bastin, w Baron Ocha, Della Wallis vian, and Oliver, Milt Sophie, George Sebastian conduct. Uric Baumgartel be the stage director and T Bosquet the designer.

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## Dollar Firm In Re-Opened Major Marts

### Central Banks Join Renewed Trading

(Continued from Page 1)  
aimed at discouraging any build-up in commercial francs and easing the upward pressure on the franc to a minimum.

The negative rate in the Netherlands goes into effect March 26 and is based on the average amount held in nonresident accounts in the first half of February.

German bankers have previously warned their nonresident clients that they may face a negative interest charge, also, however, none of the other countries in the joint European float—France, Denmark, Sweden and Norway—have such measures. Bankers acknowledge that the recent speculation against the dollar indicates that concern about relative interest rates has definitely taken a back seat to concern about the monetary system. But they stress that unless a speculator can hope for a quick 5 percent revaluation of whatever currency he is in, paying negative rates is not to be a costly affair. And as exchange markets quiet down, the lure of higher interest rates in the United States (the key "prime" rate of some U.S. commercial banks has risen half a percentage point today) may draw some of the dollars held abroad.

The effect of all these measures will have on currency markets is difficult to assess. But bankers say that they are steps in the direction of re-establishing normal trading. At present, only the eight currencies in the joint European float are maintaining fixed parities among themselves within a band of 2 1/4 percent of their central rates. The Bundesbank was forced to intervene in the Frankfurt market today, selling an estimated 24 million Deutschmarks and 24 million Swedish kronor to the 16 million Deutschmarks mark from falling below its floor level against those two currencies.

Bankers attributed the curious weakness of the mark to the pent-up commercial demand for francs and kronor.

The mark was also weaker against the dollar, which opened at 2.325 DM and closed at 2.327 1/2 DM from Friday's 2.323 DM.

In Paris, the dollar opened at 4.25 commercial francs and rose to close at 4.547 compared with Friday's 4.516. Against the franc, the dollar rose from 4.515 to 4.535.

The dollar hit a high of 2.8950 against the Amsterdam guilder before settling at 2.8850, ahead of Friday's 2.8775.

In Switzerland, it hit a high of 2.27 francs before settling back at 2.264, up from Friday's 2.2325 francs.

The dollar closed at 39.60 Belgian commercial francs, below the day's high of 39.70 but up from Friday's 39.55.

## Ericsson Net Up By 31% in Year

STOCKHOLM, March 19 (AP)—L.M. Ericsson's net income rose 31 percent last year, to \$37.4 million from \$28.5 million in 1971, the company announced today. Sales increased to \$992.8 million from \$781.5 million, Ericsson said. The board has proposed that the parent company's capital be increased through a stock dividend of one new share for every one held. A dividend of 5 kronor share on the increased capital stock is proposed through payment of 6.25 kronor on the old shares.

German Bank's Net Up  
MUNICH, March 19 (AP)—Consolidated net profit of Bayerische Vereinsbank rose last year to 90.1 million Deutsche marks from 67.9 million DM in 1971. The bank proposed an unchanged dividend of 10 marks a share.

## Trade Surplus in France Seen Steadying Soon

PARIS, March 19 (Reuters)—France's trade surplus is unlikely to continue growing at its present rate because production facilities generally are working at or near full capacity, the French employers' federation said in its latest economic bulletin. The federation said there is no up to meet possible increased foreign demand.

It said that until the international monetary crisis, foreign demand had been growing strongly and had encouraged French exports, along with those of most community countries. Moreover, France's trade surplus has been maintained despite increased domestic demand having stimulated a rise in imports. Meanwhile, the bank of France said French industrial output growth is expected to continue for several months, despite some new factors engendering uncertainty.

It said expansion continued satisfactory in February although some industries experienced problems of lack of spare capacity or shortages of labor.

## FINANCIAL NEWS AND NOTES

### Petrofina to Acquire Sohio Unit

American Petrofina has agreed in principle to acquire more than 1,000 service stations and an 84,000-barrel-a-day Port Arthur, Texas, refinery from the BP Oil Corp. unit of Standard Oil of Ohio. The price is to be determined when the deal is closed, about mid-summer, and most of the transaction will be accomplished by issuance of additional common shares of American Petrofina. The service stations are located in Florida, Georgia and the Carolinas. The transaction also includes bulk plant, barge and pipeline terminals which account for some 400 million gallons of gas and 100 million gallons of distillate. The properties were part of BP Oil when Sohio acquired it from British Petroleum. BP had acquired them from Adam Richfield in 1968. American Petrofina is 67 percent owned by Petrofina, of Belgium.

### BSA in Motorcycle Merger

Birmingham Small Arms and Manganese Bronze Holdings, of Britain, plan to merge their motorcycle interests in a new company to be known as Norton Villiers Triumph. Norton is to be owned 50 percent by Manganese. The agreement also provides for the sale to Manganese of BSA's motorcycle interests for \$2.5 million cash, and for the government's Department of Trade and Industry to subscribe \$4.87 million in cash for preference shares of the new company.

Thyssen-Rhein Stahl Bid Acceptances  
August Thyssen-Huetten says that, following the premature closure of its cash offer for the shares

of Rhein Stahl, the banking consortium acting on its behalf received acceptances in respect of 60.5 percent of Rhein Stahl's capital. Thyssen originally said it would be satisfied with a stake of 51 percent. The company says it does not intend to scale down the amount of acceptances to a level below 60.5 percent.

### Ford Unit Plans Eurodollar Loan

Ford Motor's subsidiary, Ford International Finance, intends to offer late in March \$75 million of convertible guaranteed debentures, due 1988. The debentures will be convertible from April 30, 1974, into common stock of Ford Motor. A maximum of \$25 million of the debentures will be offered for payment and delivery on Aug. 1, 1973. The Eurobond has an indicated coupon of 5 percent and an indicated conversion premium of around 12 percent. Final terms are to be fixed March 30. A banker says it will be the first dollar-denominated convertible Eurobond offering to be made this year by a U.S. corporation.

### General Host Opposes Tender Offer

General Host has filed a suit seeking a preliminary and permanent injunction against Triumph American and its British parent, Triumph Investment Trust, from pursuing a tender offer for 1,075,000 General Host shares at \$18.50 each. General Host's chairman, Harris J. Ashton, says that at a special meeting Sunday the board determined to take all further action necessary and desirable to oppose Triumph's takeover bid in order to protect General Host security holders.

### Gains Control of Diversified Companies

## Vesco Buying Financial Base in Bahamas

By Philip Greer

NASSAU, the Bahamas, March 19 (UPI)—Robert L. Vesco, charged by the U.S. Securities and Exchange Commission with being one of the world's great swindlers, is rapidly becoming an economic power in this sun-drenched resort colony.

Through interests in a string of companies and loans to well-connected Bahamians, Mr. Vesco and his associates appear to be building a base from which they could resist American government efforts to retrieve \$24 million they allegedly drained illegally from four IOS mutual funds.

In little more than a year, Mr. Vesco and his group have acquired majority control of companies as diverse as automobile dealerships, liquor stores, pharmacies and travel agencies. Through the vehicle of Bahamas Commonwealth Bank, with a close associate as chairman, Mr. Vesco has pumped about \$10 million into the shanting Bahamian economy.

While most banks are making loans with extreme caution, BCB has written mortgages as high as 100 percent on some properties. Even bank officials concede that

loans show a definite trend toward people closely allied with the ruling Progressive Liberal Party of Prime Minister Lynden O. Pindling.

So far, it is difficult to say whether Mr. Vesco has been able to win protection for his activities. One thing is clear: for the moment at least, he does get the benefit of the doubt. Except for a temporary order halting the movement of funds—at least until a hearing on April 9—the Vesco group is free to go about its business relatively unhampered by government supervision and regulation.

Mr. Vesco's interests here fall under two headings: The bank and companies it owns, and Security Capital Corp. of Canada, purchased last year from Butler's Bank, the predecessor of BCB, which is now in liquidation. Both companies are headed by Norman P. LeBlanc, a Canadian former accountant who has been closely associated with Mr. Vesco.

BCB itself owns New Providence Leasing Co., a shell which in turn owns Grand Bahama Leasing, an auto finance company. CBL is said to be the parent of Central Garage, the local dealer for

Chevrolet, Dodge and a number of British cars, including Rolls-Royce and Hillman. On the road from Nassau airport, one of the few commercial buildings projects to be seen will house Motor Center Ltd., a Datsun dealer which is 50 percent owned by BCB. The bank recently bought a travel agency.

The Security Capital umbrella is much broader. Security Capital owns a majority interest in General Bahamian Companies, described by one local businessman as "about as close to a conglomerate as you'll get in the Bahamas." General Bahamian subsidiaries include: a 15-store pharmacy chain, a nine-unit liquor chain and Ford, Toyota and used-car dealers.

In addition, General Bahamian owns 40 percent of the Sonesta Beach Hotel, National Data Processing Co., 20 percent of the Nassau Guardian newspaper, Bahamas Elements, Charlotte Street Securities (a stock brokerage firm) and Charlotte House, a new office building.

Of the 21 Nassau stocks quoted daily by brokerage firms, six of them, issued by four companies, are associated with Vesco interests.

The SEC is scheduled to begin presenting its case against Mr. Vesco and his group tomorrow in federal court in New York, with Judge Charles E. Stewart Jr. deciding, among other points, whether to appoint receivers for IOS, the funds and the banks, including BCB.

Last week, International Controls Corp. agreed to a total change in its board of directors and removal of all Vesco influence in the company. That development could delay the start of the trial.

### Lengthy Battle

No matter what Judge Stewart decides, however, the battle is not likely to end until it has been through the Bahamian courts and possibly through the Privy Council in London (Bahamian courts are tied directly to the judicial structure in Britain).

Mr. LeBlanc and BCB have ignored the SEC's subpoenas for pre-trial testimony and to produce records. Lawyers here explain that if they had contested the SEC action, they would have been conceding that the commission has jurisdiction over their activities. If a receiver were then appointed for BCB, the attorneys say, the Bahamian courts would be likely to enforce the order.

By ignoring the U.S. suit, Mr. LeBlanc and BCB are essentially denying that the SEC has jurisdiction, setting the stage for a battle on that point if and when a receiver is appointed. It is that battle, at least as much as the one in New York, which will decide the control of \$224 million in mutual-fund assets.

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## U.S. Reserves Of Oil, Gas Said to Drop

### But Industry Figures Questioned by Critics

By Edward Cowan

WASHINGTON, March 19 (UPI)—Proved reserves of crude oil and natural gas in the United States fell again in 1972, the industry reported yesterday.

The American Petroleum Institute estimated proved and recoverable oil reserves at Dec. 31, 1972, at 263.3 billion barrels, down 1.7 billion barrels, or 4.5 percent, from a year earlier. The total included 9.6 billion barrels under Alaska's North Slope.

The American Gas Association reported a drop of 4.6 percent, to 266.100 billion cubic feet, in proved gas reserves, including 26,600 billion cubic feet in Alaska.

The reports came as no surprise. They pointed up the growing gap between the country's indigenous available energy supplies and its energy appetite. Imports, chiefly of oil, have been filling the gap.

### Appeals Expected

The reports may occasion a new round of appeals by the oil and gas industry for government policies to encourage exploration and development of the very substantial deposits of oil and gas beneath the continent and the offshore seabed.

The industry wants higher prices, more generous tax concessions, easier environmental rules and access to the North Slope reserves.

None of the Alaska deposits can be brought to market until a pipeline or other means of delivery is built. An administrative industry plan for an 800-mile trans-Alaska oil line has been blocked in the courts by environmentalists. The administration is appealing to Congress and the Supreme Court.

Reported reserves have been declining because production has outstripped reported new discoveries. However, the industry's figures, particularly for gas, have been questioned by congressional critics and consumer spokesmen. They have suggested that the reserves have been understated as part of an effort to get higher prices.

### Check on Data

The challenges have led to two attempts to verify the gas data, one by the Federal Trade Commission and one by a Federal Power Commission-sponsored task force. Both are under way.

### Hearing to Be Speeded

WASHINGTON, March 19 (AP)—The Supreme Court today granted a U.S. government request to speed its consideration of a lower court ruling that blocked construction of the trans-Alaska pipeline.

The Supreme Court, without comment, agreed that the schedule for filing papers in the case be accelerated. Left undecided was the second step of the government request, which asked that court to hear and decide the case this term.

The government has asked that the case be heard in mid-May and decided before the term ends, probably in June.

## U.S. Banks Raise Prime Rate

### Burns Summons Officials to Talks

NEW YORK, March 19 (UPI)—Several large U.S. banks, led by Manufacturers Hanover Trust, raised the prime lending rate today to 6 3/4 percent from 6 1/4 percent—a move that brought a tart response from the Nixon administration.

Arthur P. Burns, chairman of the Federal Reserve Board and also of the Committee on Interest and Dividends, sent a telegram to the banks asking their officials to meet him on Thursday and "be prepared to present up-to-date factual information" on costs which they believe justify the increase.

"It is by no means clear," Mr. Burns said in the telegram, "that the increase in the prime rate just announced by your banks is consistent with the committee's criteria."

Mr. Burns noted that on Feb. 28 the committee issued a statement indicating that "any upward adjustment in lending rates should be fully justified by in-

In its announcement today, Manufacturers Hanover cited a 10 percent jump in business loans outstanding at its domestic offices in 1973, a result of the "out-of-kilter interest rate structure," as one of the main reasons for the increase.

It said that there had been massive swings in business borrowings out of the commercial paper market into the banks with their low lending rates.

The bank said that while the half percent increase in the prime rate will not fully close the gap between commercial paper rates and the prime rate, it will help correct the distortion in the existing rate pattern.

This was a reference to the fact that over the past several months the rate on dealer-placed commercial paper has risen sharply with most dealers now quoting 6 3/4 to 6 7/8 percent for paper maturing in 90 days.

Until recently there has usually been a spread of anywhere from one-half of 1 percent to 1 percent between the prime rate and the commercial paper rate lower.

The result has been that many large corporations, which normally do a great deal of their short-term borrowing in the commercial paper market, have abandoned the commercial paper market to take advantage of lower bank rates.

Since the beginning of the year, business loans outstanding in New York City have risen by nearly \$3 billion. Manufacturers Hanover said that the rate increase should slow demand for bank loans from the corporate sector and thus ease pressure on rates for funds sought by banks to meet the demand.

Among the primary sources of funds for New York banks is the certificate of deposit market where rates have also jumped sharply in recent months. New York banks are reliably reported to be paying as much as 7.20 to 7.25 percent for certificates of deposit maturing in 90 days.

Manufacturers Hanover emphasized that it contemplated no change at this time in rates on consumer loans and mortgages, and that funds would continue to be made available to its small business customers on the best possible terms.

**Senate Unit Approves Extension of Stock Tax**  
WASHINGTON, March 19 (Reuters)—The Senate Finance Committee today approved a straight two-year extension of the interest equalization tax on foreign securities issued to Americans rather than only a 15-month extension as approved by the panel earlier.

The committee voted to send the tax measure to the Senate floor. The House of Representatives already has approved a 15-month extension of the tax from April 1, 1973, to June 30, 1974.

Mr. Volcker, who had a series of meetings with European financial experts and attended the 14-nation Paris conference, said that in the best judgment of the United States the dollar devaluation last month was adequate to meet the international situation.

Mr. Volcker urged Congress to act quickly in approving an allocation of \$2.25 billion to maintain U.S. contributions to the International Monetary Fund and other lending agencies.

The need for the increased amount was created by the 10 percent devaluation of the dollar, which reduced the value of earlier U.S. allocations.

This advertisement is neither an offer to sell nor a solicitation of an offer to buy these securities but appears as a matter of record only.



## 700,000 Shares SHAKLEE CORPORATION Common Stock

Dean Witter & Co. Incorporated	The First Boston Corporation Incorporated	duPont Glore Forgan Incorporated
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E. F. Hutton & Company Inc. Incorporated	Bear, Stearns & Co. Incorporated	Burnham & Company Inc. Incorporated
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March 16, 1973







هذه امة الاصل

**The Prices For Oil And Gas  
...WHERE WILL THEY  
GO NOW?**











**PEANUTS**

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Snoopy: YOU JUST THINK YOU'RE CUTE BECAUSE YOU'RE CUTE!

Woodstock: I know.

HAVE YOU ALWAYS BEEN ACCIDENT PRONE, CLUMSY?

NO...ACTUALLY AT ONE TIME, I WAS QUITE GRACEFUL.

WHEN WAS THAT?

JUST BEFORE I LEARNED TO RISE UP ON ALL FOURS.

© 1994 BURGHETT & ALTY, 7/29

HOW WILL YOU SPEND YOUR FIRST DAY IN LONDON, SIR-SIGHTSEEING?

THINK AH'LL TAKE A NAP —

LOUT!! GO DOWN AND GET INTO THE SIGHTSEEING BUS!!

ANYTHIN' YO' SAY, TIE-PIN

THE GLOOMIEST, MOST FORBIDDING CASTLE IN ALL ENGLAND — SO SETTLE BACK FOR A JOLLY GOOD TIME !!

LET'S SEE... WHAT GOES WITH MASHED POTATOES, GRAVY, ROAST DUCK, AND CREAMED PEAS?

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GARGE

NOT WUNDER.

**KIDLY SCHOOL**

**DRAMATIC SOCIETY**

CASTING OUR PLAY, MISS PEACH...

A LEADING LADY, AN OLD CHARACTER, AND AN INGENUE.

JUVENILE?

SURE, EVERYBODY.

3-20

SAM WAINER

I'M BAXLEY STRODE, GENERAL MANAGER OF BENSON ELECTRONICS. MR. MERCHANT ASKED ME TO COME IN.

OH, YES, MR. STRODE. HE'S EXPECTING YOU.

SIT DOWN, BAXLEY. WE'RE A LITTLE CONCERNED ABOUT THE LOAN WE MADE TO BENSON ELECTRONICS.

YOU'RE NOT THINKING OF FORECLOSING, ARE YOU?

PRE-POSTEROUS, JETHRO!

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...AND SO, IN CLOSING...

...THOSE OF YOU WHO ARE DISSATISFIED WITH THE OPERATION OF THE POST OFFICE...

...DROP ME A LINE

G. K. Brown

THE WORD IS THAT THE SPONSORS HAVE DROPPED KEN BARON BECAUSE HE'S MUCH TOO TEMPERAMENTAL / THE BIG QUESTION IS TOO MUCH TEMPER OR NOT ENOUGH TEMPERANCE?

I, FOR ONE, ALWAYS ADMIRER BARON / HIS POTENTIAL AS A GOLFER IS UNLIMITED—BUT HE'S BEEN OFF THE TOUR A LONG TIME / WHY? APPARENTLY, HE'S HAVING THE PROBLEMS SOME PEOPLE GET WITH SUCCESS!

I'M TURNING IT OFF...

CLICK

DON'T LET THAT KIND OF TALK BOTHER YOU, KENNY!

PHOTOGRAPH BY JIM HARRIS

Are there more butterflies than there are, are there?

BUTTERFLIES? NO. BUTTERFLIES ARE EVERYWHERE... NOT A ONE IN SIGHT.

THEY'RE PISSE CROPPING WAS POOR.

A CHANCE TO WEAR TEETH - THEY BELONG TO CRY BEING - TO BE BORN TO A CAMEL - A CHANCE TO LIVE LIKE A LION.

DO YOU LIKE TO LIVE LIKE A LION?

YOU LIKE TO LIVE LIKE A LION? AN HAPTA GOT A LADY NOW HE'S A WIFE - A EAT RAW ZEBRAS?

DO YOU LIKE TO LIVE LIKE A LION?

YOU LIKE TO LIVE LIKE A LION? AN HAPTA GOT A LADY NOW HE'S A WIFE - A EAT RAW ZEBRAS?

DAVE COVERLY

**PANEL 1:** Bart and Homer are at a bar. Bart is wearing a hat and a vest. The bartender is a man with a beard and a hat. A speech bubble from Bart says: "IF THIS ISN'T A WAX DUANNA, I MAY BE IN TROUBLE...". A speech bubble from the bartender says: "WELCOME, COWBOYS!". A speech bubble from Homer says: "DESMOND APPLIES THE ACID TEST.".

**PANEL 2:** Bart and Homer are talking. Bart says: "YOU'VE DONE A FANTASTIC JOB, JOE. I REALLY FEEL AS IF I'M BACK IN THE OLD WEST...". Homer says: "SOUNDS AS IF DESMOND IS ENJOYING HIMSELF, TOO!".

**PANEL 3:** Bart and Homer are talking. Bart says: "I CAN TALK ANY MAN IN THE WEST...". Homer says: "WHILE THE LADIES ARE GETTIN' SET, I'LL SHOW YER ROUND, RIP.".

**PANEL 4:** Bart and Homer are talking. Bart says: "I CAN TALK ANY MAN IN THE WEST...". Homer says: "WHILE THE LADIES ARE GETTIN' SET, I'LL SHOW YER ROUND, RIP.".

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Stephen Spender's new books are "The General" and "The Year of the Rebels."

ACROSS			
1	Two cups	45	Between ready and fire
5	Wanderer	46	Perfect
10	Speaker's place	47	March 20
11	Notion	53	and hearty
16	— no good	54	Wise men
17	Kind of effort	55	Moldings
18	Goes laboriously	57	See 41 Across
19	Insect eggs	58	Howe
20	March 12	59	King
23	Greek cupid	60	Desire
24	Small	61	Charlotte —
25	Former Chief Justice	62	Short poems
28	Net profits from a sale	DOWN	
33	Remains	1	"The Snake —"
34	Watchful	2	March 15
35	Witty rejoinder	3	Orderly
36	Ice mishap	4	Medieval
37	Grouchy one	5	Sir Isaac
38	Lustrous cloth	6	Sharif and others
39	Mighty instrument	7	South of France
40	Biological cell	8	Guinness
41	March 6, with 37 Across	9	Paper shuffling
42	The Greys Musketeers, e.g.	10	Port in Scotland
44	Accountant, at sea	11	Upolu port
		12	— bility
		13	Call for help
		21	Greek god
		22	Religious group
		25	Irritable
		26	Out of his
		27	Near-sighted
		28	Rainy
		29	Spain
		30	Arab
		31	Where?
		32	Way up
		34	Johnston
		37	U.S. —
		38	Rating
		40	Valhalla
		41	Action
		43	Most un-
		46	Greenish
		47	Spanish
		48	Dash
		49	bring
		56	Decorative
		51	Alley of
		52	Interior
		53	British
		58	the

A black and white cartoon illustration by Kellham. The scene is set in a living room. A woman with short, wavy hair is sitting on a sofa, knitting. She is wearing a light-colored top and a dark skirt. A man with a long, pointed nose and glasses is sitting on the floor, playing cards. He is wearing a light-colored shirt and dark trousers. A young child is sitting on the floor, playing with blocks. A dog is sitting on the floor, playing with a ball. A lamp is on a table. A vase with flowers is on a table. A clock is on the wall. The signature 'Kellham 5-20' is in the top right corner.

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.



**TUFON** © 1975 by The Chicago Tribune  
 World's Largest Newspaper

[illegible]

UPLEDD

OFF THE BUS.

DACROW

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

It WAS (Answers tomorrow)

Yesterday, | Jambika: COMET VIRUS DEPUTY AERATE

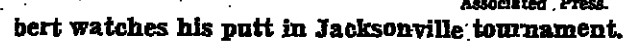
Answer: *What one shot sometimes starts—A RACE.*

20-150

2100/54



## A Four-Way Tie for Second



**Changed Lead 3 Times**  
Colbert and Wiechers changed the lead three times during their round together. Miller, who could have tied for it all had his 18th-hole putt been just a few inches longer, was the third member of the threesome that attracted nearly the entire 28,000

**Jimmy Ellis trains for one of his frequent bouts. But will he meet George Foreman?**







ing on the British



The eagle of the Federal Republic of Germany.

## A Special Report In Two Parts

### PART I

Highlights of this section include:

#### Government

A report on Chancellor Brandt's successes and failures; an interview with Foreign Minister Walter Scheel—this page. A chat with Opposition leader Rainer Barzel—page 17.

#### Labor

The once-dominant labor unions are beginning to roar. Their targets are not only management, but the Free Democrats and union militance could pose a threat to even Willy Brandt's Social Democrats—Page 18.

#### Culture

Herald Tribune correspondent Paul Moor reports on the great sweep—and depth—of West German cultural life, the traditional, the contemporary and the avant-garde. His report begins on this page.

#### Investment

A look at the mutual funds and stock markets, where, the figures show, it was the year of the foreign buyer—Pages 21 and 22.

#### Travel

Despite its great scenic and cultural allure, West Germany's travel gap is growing. A principal reason is economic—Page 24.

## PREVIEW OF PART II

Highlights of the next section, which will be published on March 27, a week from today, include:

#### Economic Overview

The postwar economic miracle, which appeared dead a half-dozen years ago, is showing signs of life. But serious problems of inflation must be dealt with if the revival is to be a lasting one.

#### The Deutsche Mark

More than any other factor, Germany's insistence on "European solution" to this year's currency crises led to the decision to abandon—at least temporarily—the Western system of fixed exchange rates. And Germany's choice of pegging the deutsche mark against special drawing rights instead of the U.S. dollar will probably have road implications for any future system.

#### German Banks

Germany's rich and powerful banking system is rapidly extending its reach outside the country. With new offices in the United States, both Eastern and Western Europe, and plans for Japan, it is trying to catch up in the foreign business it has until recently pursued. "The business has not waited for us, but with luck we can have good results," one banking chief thinks.

#### Foreign Banks

Even though a series of measures to mop up loose capital has virtually isolated them from their parent institutions overseas, the foreign banks still present an optimistic profile. The competition for business is keener than ever, and new banks continue to arrive to try their luck on what is an obviously altered banking scene.

#### Toward a New Society

The economic *wunderkind* of Europe is experiencing all the benefits and problems that affluence brings. Autos, television sets and washing machines increase, but so do tensions with foreign workers, crime, and friction between an increasingly left-leaning youth and a basically conservative establishment.

#### Industry

A detailed look at the Federal Republic's leading industries—electronics, chemicals, automotive, etc.—and expectations for the future. All is not sunshine.

#### Berlin

Though no longer plagued by harassment of their life-lines to the West, West Berliners still have enough reasons for anxiety over their long-range prospects.

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## INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post  
PARIS, TUESDAY, MARCH 20, 1973

# FOCUS ON WEST GERMANY—I

## Government: The Politics of Change, Domestically...

By Joe Alex Morris Jr.

BONN.—As he begins his second term of office, now with a healthy majority in the Bundestag, Chancellor Willy Brandt finds himself in an unusual position. He is widely recognized as the most prestigious statesman in Western Europe since Charles De Gaulle left the scene. The London Times recently described him as "a man for all Europe" and said:

"Were European integration another generation further on, it is almost inconceivable that he would not be elected as president of Europe against any competitor."

This is pretty heady stuff. And there is little question but that the nine nation-states of the European Community, plus Western Europe as a whole, are crying out for leadership.

But the Times was probably right to talk about "another generation." The most impressive politician on the current scene he may be, but there is room to doubt whether Willy Brandt or any other German could fill this role.

### Contradictions

The European scene today is filled with contradictions which would test any statesman's skill and the strength of his convictions. The Common Market is now expanded to nine nations, all agreed in principle on the road to economic and currency union with vaguer thoughts about political unity in the still more distant future.

But, as the enduring monetary crisis has demonstrated, no country is prepared to sacrifice its

vital national interests for the cause of Europe. Mr. Brandt, a dedicated European, has been unable to seriously dent this mentality. A local joke has it that the only positive thing he has done this year was to give up smoking.

At home, he faces similar contradictions. He came into office in 1969 pledging a government of inner reform. But reform costs money, and the dominant theme in West Germany today is holding back on spending in the face of a greater political and economic evil: inflation.

### The Prize

Mr. Brandt goes into his second term with a somewhat more jaundiced outlook reflecting these contradictions. During his abbreviated first three years, he found an escape outlet in his Ostpolitik, or normalization of relations with Eastern Europe.

Critics call the Ostpolitik naive and idealistic, but it won him the Nobel Peace Prize and brought him prestige abroad and at home. Germans who have lived too long under the shadow of Hitler's crimes were immensely buoyed by the peace prize award, and there can be little question that it helped return the Social Democrats to power last fall.

The Ostpolitik has improved the political atmosphere in Central Europe, but its concrete benefits are still few and far between. The Poles are holding back on the repatriation of ethnic Germans who want to leave, and the East Germans are turning every possible screw to make it clear that, treaty or no, their policy of rigid separation from



West Germany will be pursued more vigorously than ever.

Mr. Brandt takes a fatalistic view of this. In the past, he said recently, there were no relations between the two Germanys. In the future, it will be bad relations, but at least one can always try to improve bad relations.

There are still bits and pieces of Ostpolitik to be cleared up. Normalization with Hungary and Bulgaria waits upon an agreement with Czechoslovakia, but

there is no agreement with the Czechs.

Prague wants Bonn to declare the Munich Agreement of 1938 not only invalid, but invalid from the very start. But the Ostpolitik is really over the hump with the treaties with Russia, Poland and East Germany and Mr. Brandt can afford to take his time with the rest.

In his policy statement to the Bundestag in January, Mr. Brandt indicated he would con-

centrate his foreign policy on Western relations in the near future. No doubt with some regret: Negotiating trade terms or support costs for U.S. troops in Germany is not nearly so romantic—or politically advantageous—as kneeling before the memorial to the Jews who died in the Warsaw Ghetto uprising.

### New Problems

The very détente which Mr. Brandt was so instrumental in shaping has created new problems. These range from NATO's readiness to defend itself to complaints by some Common Market members that East Germany should no longer enjoy the inner-German trade loophole that gives it access to the whole community market.

Problems of and with détente are just one side of what Germans see as worrisome times ahead. The Belgians and the Danes are weakening the NATO structure, and Mr. Brandt feels he cannot afford to increase the share of the national budget that goes to defense (now about 25 percent).

At the same time, he recognizes the need for solidarity in NATO ranks as the West goes into negotiations on European security and troop reductions with the Communists. He is aware that the Russians will simply play the waiting game if they are convinced the West is going to thin out its troops anyway.

Thus Mr. Brandt will try to meet American demands in forthcoming negotiations on troop support costs. The devaluation of the dollar already means it will cost extra and Washington is expected to ask more than that. Mr. Brandt's next test will be

over trade and money matters with the United States and his colleagues in the Common Market. The health of the European Community is not good, and ominous is perhaps the best word for future economic relations with the United States.

The recent monetary crisis showed the inability of the EEC to solve international problems, or even agree on how to solve them. This is still a community of nine sovereign states, a fact which depresses Mr. Brandt.

He would go further and faster. At both the Hague and Paris summit talks, Mr. Brandt tried to take the initiative to get the EEC looking outward, away from the narrower confines of an eventual economic and monetary union.

Mr. Brandt suggested, for example, that foreign workers in Germany ought to have some form of suffrage, to be able to vote in their communities on local issues that affect them as much as they affect Germans.

### The Nice Guy

He was loudly applauded, study groups were set up to look at some of his proposals, and the whole thing largely forgotten.

All this and more would seem to suggest that Mr. Brandt cannot or will not throw his weight around, that he is still hamstrung with the postwar German's obsession about being the nice guy. In politics, of course, this too often means everyone's fall guy.

In the monetary crisis, the Germans thought they had persuaded both the French and the British to accept the plan for a Common Market currency float (Continued on next page)

## ...And in the Field of International Relations

By Joe Alex Morris Jr.

BONN.—Real détente in Europe can only come about when all the nations concerned accept that they must go forward into new relationships, not merely cement the post-war status quo. West German Foreign Minister Walter Scheel said in an interview released today.

"In our eyes, recognition of the status quo is precisely what détente in Europe does not mean," Mr. Scheel said in an interview. Specifically, it means "improvement of communication," he added.

"To eliminate preconceived opinions and thus causes of tension, we need, most of all, contact between the people across national frontiers." As one problem in achieving this, he cited

● Text of interview — next page.

the "apprehension" of some Communist states in Eastern Europe that greater human contacts are simply a cloak for others who want to change their social system.

The foreign minister's remarks pinpointed the problems involved in current efforts to get East-West relations onto a post-cold war basis. In Helsinki, where preparatory talks have been under way for three months for a European Security Conference, the

Russians and their allies still have given no indication how far they are prepared to go in meeting this key Western demand for greater human contacts.

In Vienna, the Eastern and Western military alliances are trying to get preparatory talks started on a mutual thinning out of military forces in Central Europe, but they are still hung up on procedural questions. Nevertheless, Mr. Scheel saw some grounds for optimism.

"The process of thinking in these terms ('promotion of confidence-building measures') has now begun in both the East and in the West," he said. "Let us hope that it will bear fruit."

Mr. Scheel insisted there must be "tangible, practical results" if real détente is to be achieved.

The foreign minister and head of the Free Democratic Party, junior partners in Chancellor Willy Brandt's social-liberal coalition government, sidestepped a question of what the Communists really want out of current efforts to build détente. He described it as a "difficult and long-term process" which "will be occupying us for a long time to come."

He revealed that recent efforts by the Soviet Union to play a role in the projected pan-European trade union federation were stymied because the Russians have not fully accepted the existence of the European Economic Community. "The future



will show whether and in how far the Soviets are prepared to change their attitude on this question," he said.

Again, he expressed optimism over "recent signs which seem to indicate the possibility of the Soviet Union taking a

realistic view of the European Community." But his remarks raised the question, if the Russians are still reluctant to go along with West European integration, how interested are they really in what Mr. Scheel and other Europeans see as the fundamental issues involved in détente.

The economic problems of détente, one of the four principal subjects being discussed at Helsinki, were not underestimated by the foreign minister. The problem of East-West commerce "still encounters difficulties," he said.

### U.S. Role

The Eastern bloc's production of goods designed for Western markets was "as yet insufficient." He cited foreign exchange difficulties as one problem.

Mr. Scheel stressed that the United States will continue to play an important role in European affairs, regardless of developments within the European community and in reducing East-West tensions. "There can be no question of the European Community taking over the role of the United States in world affairs," he said. "Both are dependent on each other."

On relations with the United States he said "there is not anything that could not be improv-

ed." He said Europe was ready for a constructive dialogue with the United States, and called upon both to "muster the political will for cooperation and sensible compromise."

### "New Life"

He expressed hope that peace in Southeast Asia would help give "new life" to American-European cooperation, and will "invigorate the Atlantic Alliance." But he said no priority should be given to the idea of institutionalizing the dialogue between the two power blocs.

In the past, Chancellor Brandt has come out strongly for such measures.

Mr. Scheel emphasized that West Germany will continue to work for transformation of the European Community into an organization with political powers transcending the economic and monetary fields. "We are convinced that a genuine economic and monetary union cannot, in the long run, be capable of action without major powers being transferred to the community," he said.

He declined to predict when this would take place. "Long-term forecasts are a problem," he said. But West Germany interpreted recent community decisions to mean that by 1980 "this will be political union."

## Culture With a Capital K

By Paul Moor

BERLIN (UPI)—The word "culture" or its translated equivalent, elicits in some countries a slightly nervous, anxious titter of insecurity. Thanks to centuries of tradition, the word *Kultur* figures in the vocabulary and life of virtually every German from earliest childhood on, and no one feels the least constrained to sound or look deprecating when using it.

*Kultur* embraces, loosely speaking, all accomplishments of human intellect and talent which ennoble the spirit, purify the mind, and enrich and elevate human existence in general. Germans like to call themselves *das Volk der Dichter und Denker*, the people of poets and thinkers and, except for one horrifically 12-year aberration in their centuries of tradition, they have every right to.

If the distribution of West Germany's cultural budget has any significance, the theater, which gets 40 percent of those subsidies, heads the list of the country's cultural institutions. West Germany's theatrical union lists no

less than 68 towns and cities with at least one repertory theater. If the United States had the equivalent in proportion to population, about 186 regional repertory dramatic and musical theaters, subsidized by tax money, would enliven the American cultural scene today.

West Germany's larger cities have, of course, many more than

just one theater each, and in even relatively small cities the resident company's weekly bill, drawn from the repertory, may include not only plays but also opera, operetta, and ballet—and for most of the year. Probably every German city whose name you ever heard has its own such resident company, with the opera orchestras also giving a series of

symphony concerts, but so also do such comparatively obscure places as Celle, Coburg, Detmold, Dinslaken, Dinslaken, Esslingen, Hildesheim, Hof, Kleve, Lands-hut, Moers, Neuss, Passau, Trier, Tübingen, Verden—and many more.

West Germany's theaters offer a sometimes astonishing example of cultural democracy in action.

Berolt Brecht hewed close to the Moscow line all his adult life and spent his final years living and working in East Berlin, but that fact did not hinder West Germany's theaters from giving 78 different productions of his plays during the 1971-72 season, with a total of 1,458 performances; for the first time, Shakespeare had to take second place, with only

1,311 performances of a mere 73 productions.

Many critics from all over German-speaking Europe have hailed as possibly the finest theater in present-day Germany, East or West, the Schaubühne am Halleschen Ufer in West Berlin's proletarian borough of Kreuzberg. West Berlin's Senate willingly, even proudly, subsidizes the company, even though it requires its young members to attend semi-weekly Maoist-oriented classes in Marxism-Leninism and its printed programs may take the form of some 25,000 finely printed words excerpted from various revolutionary works. Most West German critics rated as the highlight of the entire 1971-72 season this company's production of Ibsen's "Peer Gynt" by its brilliant young leader, Peter Stein.

Germans take their theater seriously. Last Sept. 17, Ulrich Brecht, the Düsseldorf Theater's new director, opened a matinee series of talks by prominent speakers, followed by discussions, on the general subject of "Theater and Politics." As his first speaker he managed to get none (Continued on page 25.)

## Industry

### The Top 20 Companies

By Hans Stueck

BONN (UPI)—The list of West Germany's top twenty industrial "giants," which has changed little in recent years after some tumultuous shifts a decade or more ago, provides economists with ample stuff for thoughts about the relativity of size and numbers.

Volkswagen's public relations people, for example, whose company has been heading the list uninterrupted since 1969, resent references in the U.S. or British

press to the "giant" Volkswagen company.

"Sure, ours is a giant by prewar German standards or compared to automobile factories in Finland or Afghanistan," one irritated VW official said, "but compared to our U.S. competitors we are a dwarf and the same goes for Fiat, Renault and the rest in Europe."

The figures surely bear out the man's comment, though one may doubt that foreigners will ever

stop talking about the "giant" Volkswagen plant sprawling for miles along North Germany's Mittelland canal. The actual length of the plant's waterfront, incidentally, is two kilometers.

In 1971—the latest year for which there is a complete listing of sales and assets of West Germany's top companies—Volkswagen scored an annual turnover of DM 17.3 billion on a capital base of 900 million marks. By comparison, the market value of GM

products sold in 1970 totalled \$23 billion, about four to five times that of VW's, at assets listed as \$14 billion.

The 1971 list—the one for 1972 will reflect no basic changes despite VW's less than satisfactory business—led by seven corporations that are "gigantic" by German standards, the yardstick being annual sales upward from ten billion marks.

The seven companies are, in the order of their listing, Volkswagen, the Siemens electrical company, the Hoechst chemical company, (Continued on page 17.)



This is a nice, catch-all phrase which may replace motherhood here as a political slogan. It covers everything from fighting pollution to decreasing the disproportions in individual wealth and incomes, not to mention stall-

process of West European integration and to pave the way toward economic and monetary union and an enlarged Community. The treaties with the East, the Quadripartite Agreement on Berlin, the Basic Treaty with the GDR, the phased plan for economic and monetary union, the development of political co-opera-

this contradiction has been overcome by putting off reforms.

However, Mr. Brandt definitely does not have a problem at present with the political opposition. The Christian Democratic Union is floundering and leaderless. In search of a new image and a new man to replace Rainer Barzel.

process of West European integration and to pave the way toward economic and monetary union and an enlarged Community. The treaties with the East, the Quadripartite Agreement on Berlin, the Basic Treaty with the GDR, the phased plan for economic and monetary union, the development of political co-opera-

In addition, we shall be occupied, together with our allies, with the preparation and execution of the Conference on Security and Co-operation in Europe (CSCE) which is envisaged for this year, and also with the preparation of negotiations on a reduction of military confrontation in Central Europe.

**A**—Long-term forecasts are a problem even in the theory of economics but are still more difficult when it comes to politics. Nobody today can predict with certainty which will be the problems confronting Europe in the years, or decades, after 1980. But what we are certain about is the general direction of developments.

where common interests so demand—will be authorized to make the necessary decisions speedily and effectively and with binding force for all, and which will be under effective democratic parliamentary control in keeping with the constitutions of all member states of the Community.

Conference has reaffirmed the European Community readiness for a "constructive dialogue" with the United States and its other major trading partners in Europe. The question of institutionalizing that dialogue, desirable perhaps at a later date, is not one of priority at the present time. What is important in the early stage of the "negotiating

The so-called Godesberg program, adopted by the SPD in 1959 to win middle class votes, is being challenged by young Socialists and old-line Marxists who never reconciled themselves to the image of a bourgeois party. They are challenging the party's long-range program, with its emphasis on a free market economy and recognition of the role of big business and capital in the German system.

The international current dilemma is a threat to relations with the United States, to the continued integration of the European Community and to West Germany's economy. Depending on how he responds to the challenges, Mr. Brandt could wind up a two-term chancellor—perhaps—be at the beginning of another Adenauer span of stable political leadership in West Germany.

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A—In the world of today, I feel, one should not speak of any one nation playing a dominant role. But I am sure that the United States will continue to play a particularly important role in world affairs on account of its size, its history and by the very reason of its economic strength and highly developed technology.

A—I doubt whether any six year can be described as "year of détente." Détente is difficult, and long-term process which began several years ago and will be occupying us for long time to come. As far as

**Q**—One of the most delicate subjects in the near future is likely to be U.S.-European Community relations. Do you agree that they suffer today from a certain lack of communication? If so, how can this be overcome?

years" from 1973 to 1975 is that on both sides, the United States and the European Community, muster the political will for co-operation and sensible compromise. And this, I feel, applies both to the efforts for a reform of the world monetary system within the framework of IMF which is

late common decisions and the common representation of such interests outwardly. Political cooperation among the nine governments which is proving most effective at the present stage of preparing common Western positions for a OSCE (Conference on Security and Cooperation in

With the Helsinki consulting in preparation of a "Conference on Security and Co-operation in Europe" and the Vienna preparatory talks on mutual bases

A—Certainly, there is not anything that could not be improved. This also applies to the dialogue between the European Community and the United States of America.

framework or IMF, which is even more urgent now as a result of the most recent monetary crisis, and to the forthcoming important multilateral trade negotiations within the framework of GATT.

**Q—The year 1973 is heralded as the year of détente. What with**

force reductions, the development of the relations with East Europe now enters a multifaceted phase. We realize, of course that not even a successful G-7 or successful MBFR talks

The dialogue practiced so far has been developing in a pragmatic way since 1970 in the regular semi-annual consultations between the European Community Commission and the U. S.

**Q—In this connection, President Nixon has indicated the U. S. will no longer play a dominant role in world affairs, at least not as commanding a role as hereto-**

the European Security Conference due to be held this summer and the talks on mutual troop reductions also getting under way. Do you foresee an end of the old military and political

produce a sudden change but only give impulses for the process of détente. The Alliance remains the basis of security and will continue to be the buttress for further détente.

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## The Opposition

### Rainer Barzel Fears In Anti-U.S. Campaign

By Joe Alex Morris Jr.

ONN—After three years of Social Democratic leadership, Americanism is on the rise in West Germany, opposition leader Rainer Barzel said in an interview being made public.

I view it with great concern, Christian Democratic party leader said. He demanded that Chancellor Willy Brandt "call children to order." He "children" Barzel referred to are first and foremost the young Socialists ("Jungs"), who set up a convention recently passing resolutions hardly aimed to improve the political situation between Washington and Bonn. The Jungs demanded an end to the American military presence in West Germany, and urged upon Mr. Brandt to cease troop support costs to the Germans.

#### Opinion Polls

Barzel said the Jungs and left-wing forces had captured upon widespread sentiment against the war in Vietnam and anti-Americanism. In process they have also begun to change some fundamental concepts about foreign policy in the hands of West German citizens. You've seen the public opinion polls which show that the number of citizens who give absolute priority to the alliance with the U.S. has gone sharply down," Mr. Barzel said, "and the percentage those for neutrality and class struggle goes up. You've seen how the youth organization of the governing party, Social Democrats, took decisions against paying troop support to the U.S. All this is of an anti-American campaign, which I view with great concern."

Barzel blamed Mr. Brandt for allowing this to happen. "I told him, he is always busy to play the father figure, he must call his children to order. When they have such dangerous thoughts, then it's like playing with matches next to a liter of gasoline." He dismissed Chancellor Brandt's protestations of dedication to the Western alliance. "We must see acts, not just words," he said. "This is the party chairman and CDU government leader expressed

concern about the whole drift of West German politics under Social Democratic leadership. He saw it as the start of a process of disintegration of the Western alliance, without any real benefits in terms of better relations with the East or increased security for the world.

"The Brandt government," he said, "is too much interested in Ostpolitik and has too little interest for Westpolitik. That's my opinion."

"Traditionally in Europe, Bonn has been a partner pressing for more identity with the U.S., for more cooperation within the European Community. This pressure is now missing, and Bonn does just what everybody else does."

"Thus one component of the Western motivation is missing."

He was deeply skeptical of the supposed benefits of Mr. Brandt's Ostpolitik, or normalization of relations with Eastern Europe. The chancellor had promised the voters great humanitarian benefits, "but you can see for yourself what the East Germans are doing; they are doing the least possible."

"Every day, the public understands a little better our position: We are against the treaty with East Germany because it's a bad treaty."

#### Faces Challenge

At 48, Rainer Candidus Barzel is a young man to lead a Grand Old Party such as the Christian Democratic Union. But his leadership is in question since the disappointing results of the 1972 elections, which saw Mr. Brandt's coalition returned to power with a comfortable 46-vote majority instead of the parliamentary deadlock which forced him to call early elections.

His opponents are preparing to challenge his leadership at the party conference in Hamburg this fall, and will demand that Mr. Barzel give up one of the two posts he now holds: He is both party chairman and parliamentary leader of the CDU.

A friendly man with a perennial smile, Mr. Barzel views the coming challenges with outward equanimity. "A party which has lost an election naturally has problems," he said. "This is wholly natural, but we will soon be over them."



The Brandt government is too much interested in Ostpolitik and has too little interest for Westpolitik.

It was suggested that without Adenauer the party of Konrad Adenauer appeared to be disintegrating. Mr. Barzel did not agree.

"I don't see it that way," he said. "Naturally it is much more difficult to maintain party unity in times of opposition than when one governs. But we have succeeded in doing this."

"When we went into opposition in 1969, the majority of foreign observers and also many German observers and journalists said the CDU would not hold together, it would break up."

"But Adenauer is gone. We are not broken, and we got 45 percent of the vote in the last election."

"In the next election, we will get more."

Mr. Barzel stressed that the CDU would have to develop a program more oriented toward social reform. But at the same time, he made it clear that the opposition was for the time being content to capitalize on the mistakes of the Brandt government. "For the present, we are taking it easy," he said. "The govern-

ment makes so many mistakes that already many voters are thinking things over. We let them govern for now, and will bring forward our alternatives."

"I am optimistic. In 1978 (the date of the next parliamentary elections), the Social Democrats will have been a governing party for ten years (including three years as junior partner in a CDU-led coalition)."

"That's really long enough for Germany."

The Times of London recently called Willy Brandt "A man for all Europe." Mr. Barzel understandably does not agree.

The chancellor, he says, is backsliding on the Western alliance. He has failed to push through urgent domestic reforms "and I fear that they will remain unfulfilled in the next four years."

Relations between the United States and both the European Community and West Germany are not as good as they may be," he said. There are outside but not organized serious talks. "I believe that if we don't organize this on a political basis,

one day it must also weaken the military coordination," he said. "This must be planned and organized. We must talk before the child falls into the well, and not just about how to get it out."

Above all, Mr. Barzel sees a lack of leadership in West Germany today. He denied that other European countries would fear any stronger leadership from West Germany.

"No, they would fear a federal republic only when it followed a policy distinct from the others. But a federal republic which fully integrated its economic and political potential within the European community would not be feared, because that would be a good policy," he said.

The reporter pointed out that all too often in the past, headlines in the English press and elsewhere had raised alarms about West Germany emerging as the strong man of Europe.

"You can judge better than I whether the headlines are always right," Mr. Barzel said. "As a politician, I've had my own experience."

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## West Germany's Industrial Giants

(Continued from Page 15)

the Badische Anilin chemical company (BASF), the Daimler-Benz company, the Bayer chemical company and August Thyssen-Hütte, Europe's second-largest steelmaker after British Steel.

Thyssen-Hütte stands a good chance of taking Siemens' second position on future lists, following last month's announcement that the Thyssen board and the board of Rheinstahl, another steel producer now occupying twenty-second place, have agreed to merge. The two companies combined turnover a year would be about DM 16 billion, or little less than VW's.

The Thyssen company, incidentally, is the only company among the top seven that is manufacturing only at home. The other six companies produce abroad as well as in West Germany; the turnover figures for their foreign subsidiaries being included in their total or world sales. Volkswagen, for example, would only take seventh place on the list, if sales by its foreign subsidiaries were not counted. The Volkswagen A.G., parent company of the worldwide VW concern, reported a turnover of DM 11.2 billion in 1971.

#### An Illustration

How yardsticks change within a relatively short time is demonstrated by the fact that the three major successor companies of the former I.G. Farben trust, Hoechst, BASF and Bayer, now have an annual turnover each that is at least nominally six times as big as that of Germany's feared mammoth concern in the 1930s. The I.G. Farben concern's annual world sales before WWII never exceeded two billion reich marks.

The Krupp company, another German company that played an important role in recent German history, must now content itself with the fourteenth place on the list which it led only 15 years ago. The company's gradual decline since 1958 reflects the growing preponderance of "youth" in industries — autos, electronics and chemicals — a phenomenon which the United States economy experienced a generation earlier.

A strong reminder of the decline of coal in West Germany is the fact that Ruhrkohle, the

merger company now operating all pits in the Ruhr coal basin, achieved only a modest eleventh place on the 1971 list. With about as many miners as the Volkswagen company employs workers here and abroad—about 190,000—Ruhrkohle managed to post not even one half of VW's annual sales in 1971.

Two companies on the top twenty list are really American — the Ford Works of Cologne and Opel GM's West German subsidiary at Rüsselsheim in Hesse. Their competitors on West Germany's car market, they experienced a near draw in 1971.

out there is no doubt that Opel will advance on the 1972 list because it beat both Ford and Volkswagen in domestic sales last year.

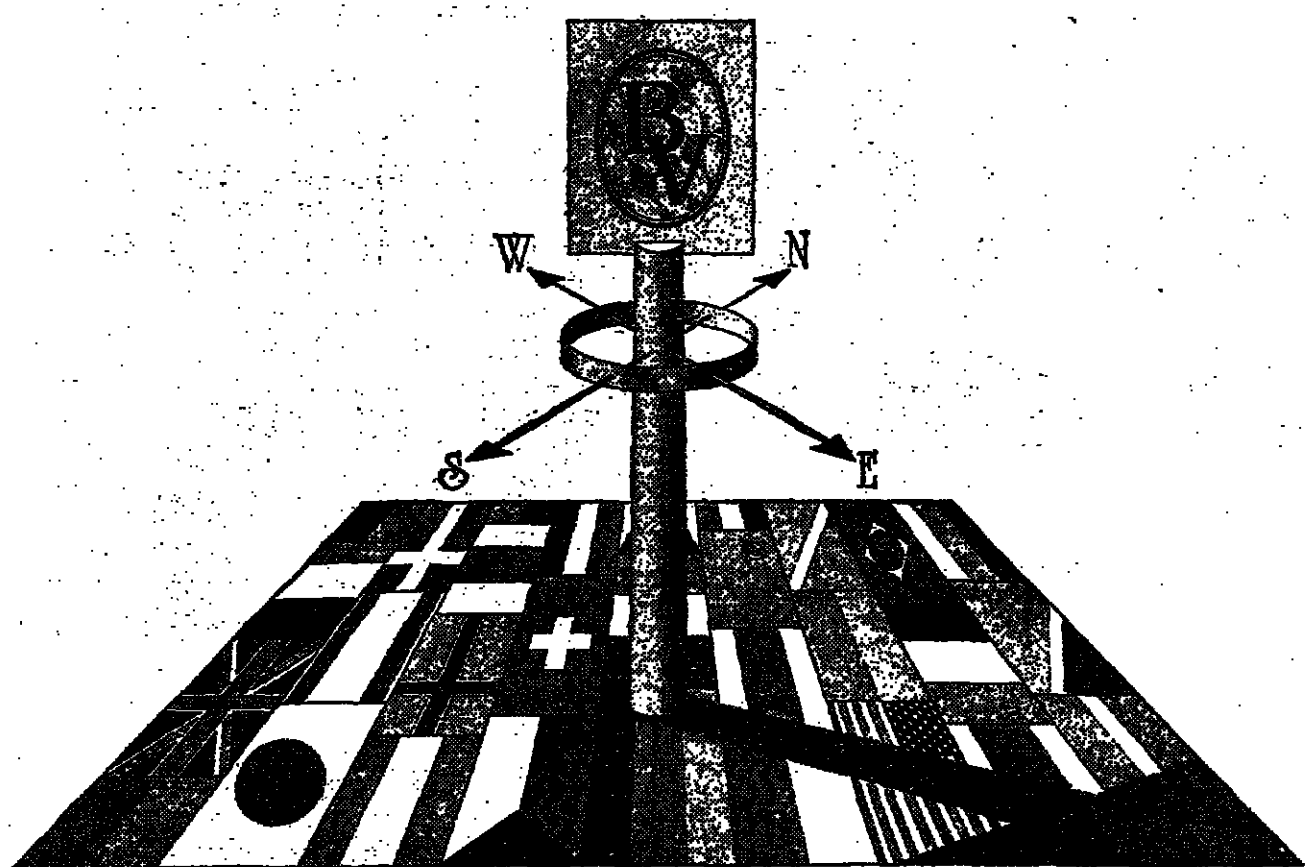
West Germany's largest enterprises, it should be added, are not mentioned on the list at all because they are owned and operated by the federal government. They are the federal railways and the federal posts each employing about half a million people. By contrast, Siemens, West Germany's industrial company boasting the largest work staff, employs "only" 300,000 people here and abroad.

## The Top Twenty

	Sales	Employees	Base Capital
	(in millions of DM)		(in billions of DM)
1. Volkswagen	17.3	202,000	.900
2. Siemens	13.5	306,000	1.17
3. Hoechst	12.7	142,000	1.48
4. BASF	12.1	93,000	1.51
5. Daimler-Benz	12.05	147,000	.761
6. Bayer	11.9	138,000	1.83
7. Thyssen	10.3	96,000	1.00
8. Veba (power & chemicals)	9.4	58,000	1.03
9. AEG-Telefunken (electronics)	9.3	167,000	.810
10. Klöckner group (steel machinery, etc.)	8.3	unavailable	unavailable
11. Ruhrkohle	7.3	181,000	.534
12. Mannesmann (steel)	7.2	86,000	.656
13. Gutehoffnungshütte (machinery, trucks)	7.1	95,000	.225
14. Krupp	6.5	79,000	.500
15. RWE (power)	6.0	56,000	1.50
16. Esso AG	5.8	4,938	.850
17. Bosch (electronics)	5.6	114,000	.300
18. Flick group (chemicals, paper)	5.5	68,000	.375
19. Ford of Cologne	5.5	55,000	.720
20. Opel	5.5	57,000	.850

\*1971 figures, the most recent for which data for all companies are available.

There were in 1971 thirteen more West German industrial enterprises with annual sales over three billion marks. They included Rheinstahl Thyssen's announced merger partner, the Reemtsma cigarette factory, West Germany's largest cigarette producer with a market share of forty percent the two soap companies, Unilever and Henkel, and West Germany's IBM. Another forty companies reported annual sales between DM one billion and DM three billion.



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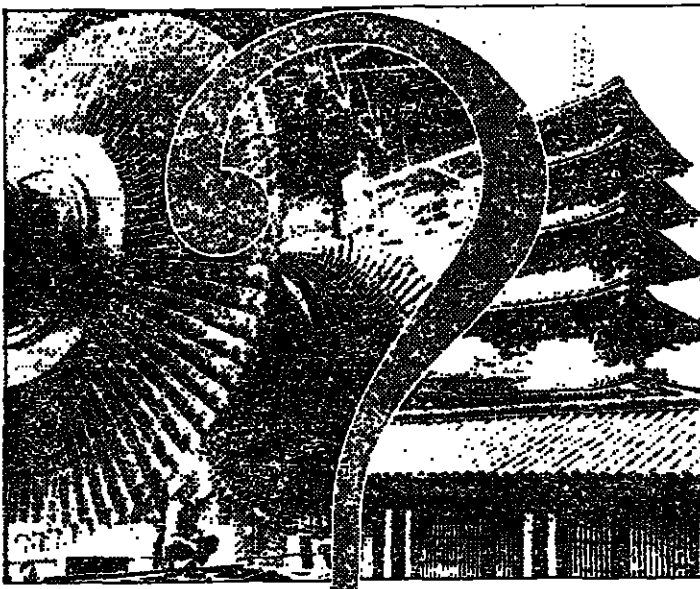
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## Labor

# The Once-Docile German Trade Unions Are Ready to Roar

By Hans J. Stueck  
BONN (HTT)—The West German trade unions, by anybody's reckoning the most docile in the world throughout 20 years of hectic postwar reconstruction, are taking great pains to correct this image in an era of polarization and reawakening ideological strife.

A powerful "state within the state"—the unions control a vast empire of widely ramified industrial and commercial interests—the German unions federation, DGB, is being pushed into militancy by young progressives among its own ranks and the growing number of workers who question the good sense of paying union dues in return for no more than marginal wage increases each year.

To be sure, there is still much ado about these annual wage rises at a time of fast climbing prices, but the main thrust of union activities is now directed at much more ambitious goals such as management-sharing in industry and capital wealth for the ordinary citizen.

The renewed emphasis on these targets, which the conservatives were quick to denounce as a relapse into 19th-century class struggle thinking, is basically due to the change of power in Bonn in 1969.

### Wage Guideline

The reorientation of German politics, confirmed impressively by Chancellor Willy Brandt's election triumph last fall, signalled the end of the growth-minded postwar period, thus engendering lively debate about some of its taboos that had been threatening to immobilize West German society after 20 years of Christian Democratic rule.

The outcome of recent wage negotiations—a modest 8.5 percent increase in pay, or no more than two percentage points in excess of the current annual rate of inflation—proved anew that the DGB is taking a different attitude from the British Trades Union Congress (TUC), which has a reputation for being greener under Labor governments than under Tory rule.

Rather than inviting serious trouble for Chancellor Brandt's left-liberal coalition government through pressing for larger wage increases, which would be a bad blow for industry's competitiveness in international trade, the unions decided to take the re-

form-minded chancellor at his word. Upon assuming office in 1969 Mr. Brandt called for "more democracy" in Germany and in his second government statement earlier this year he dwelt at length on the necessity to improve "the quality of living" in West Germany.

### Key Issue

Although some of the union leaders hesitated at first in seizing on the slogans as arguments for quick action on long-standing union demands, there is no doubt now that the unions will insist on their fulfillment within the chancellor's second four-year term that started last December. Especially in the explosive issue of granting workers a larger say in industrial management, the unions now seem determined to push Chancellor Brandt's Social Democratic party into a confrontation with the Free Democrats, the junior coalition partners of Mr. Brandt who vetoed the problem's solution in his first term.

Thus, on "Mitbestimmung" or workers' co-determination in industry, the unions now seem engaged in a two-front war against management, which has shown little gratitude to labor for its restraint in wage negotiations, or to the Free Democrats who captured an amazing 9.7 percent of the total vote in last fall's national elections as against only 5.8 percent in 1969. The Free Democrats "triumphed" at the polls with an election promise of "breaking" the reform program of Mr. Brandt's Social Democratic party.

### Ballast

Naturally, the Social Democrats are near-unanimous with the unions on management-sharing, though they have an additional problem to cope with. They became West Germany's largest political force only by shedding most, if not all, of their outdated Marxist ballast, and their unrestrained endorsement of the unions' demand for industry's recognition of labor as a production factor standing on a par with capital might antagonize people who voted for them in 1969 and 1972.

However, the greatest obstacle to the unions demand that labor and capital should have equal representation on the supervisory boards of West Germany's 422 major corporations is the Free Democratic counter-demand that ranking white collar employees from all but the top managerial level should constitute a "third force" on the boards. This for-

### The unions' renewed drive to increase the

rights of the workers is motivated,

in part, by growing signs that many

workers regard the union leadership as just

another fat cat establishment out of touch

with the masses.

mals is based on the sociological theory that the swelling number of responsible white-collar employees and master craftsmen in industry form a group separate and distinct from both capital and the workers in interests and goals.

Parity representation by workers and management on supervisory boards, the unions' chief objective these days, has been a reality since 1951 only in the coal and steel industries.

Aware of the issues highly delicate nature, Chancellor Brandt limited his government statement on management-sharing to the general demand that "workers and shareholders be given equal rights" on supervisory boards, but just how equality is to be achieved he did not say. The unions and most Social Democrats insist on flat equality for workers and management, while the Free Democrats propagate a system under which six company representatives would face four worker representatives and two senior white-collar men.

To the unions, this Free Democratic counter-proposal appears as just another ruse to "perpetuate old privileges under the guise of sociological gibberish," as one of their leaders put it last month.

### A Question

Dr. Friedhelm Fathmann, a union leader and Social Democratic deputy in Bonn, rejected in an interview the liberal notion that rank-and-file workers and medium-rank managers were no longer in the same boat. "They are just as dependent as the lowest workman, but their higher incomes and delegated authority tend to make them putty in the hands of capital," he asserted.

"How can anybody seriously propose," Dr. Fathmann continued, "to appoint the aides of

capital as controllers of their superiors? This would be tantamount to inviting Trojan horses into supervisory boards."

The unions' opposition to granting responsible employees a separate say on supervisory boards reflects of course their rising anxiety over the growing preponderance of white collar workers in most fields of industry and commerce. Before World War II industry employed 10 times more workers than white collar employees. Today West Germany's work force consists of about 13 million workers and 8 million white collar people.

### White Collar

Although social benefits are largely the same for blue and white collar workers, being an "angestellter," or white collar man, carries more prestige and being a "leitender angestellter," or ranking employee with individual responsibilities in the company hierarchy appears to be the prime goal of most West Germans. There exists a special white collar union representing half a million employees and a separate union of ranking employees which claims to speak for 300,000 managers and university-trained employees.

The traditional unions, led by DGB Chairman Helmut Oskar Vetter, are watching these rival organizations with growing suspicion. To them the increasing weight of white collar workers merely demonstrates the capitalists' success in adapting to their needs a policy of divide and rule. Echoing this sentiment, a union man said, "We can't allow employers to split the working class even more."

The unions' renewed drive to increase the rights of the workers is also motivated by growing signs that many workers regard the union leadership as just another fat cat establishment out of

touch with the masses. Numerous wildcat strikes in the industrial Ruhr, including one at the giant Hoesch Steel works last month, supplied ample proof that at least in some areas and some companies the unions' control of rank-and-file workers has become rather tenuous. It is certainly no coincidence that activities by the legal Communist party, DKP, were found to be particularly strong in companies affected by these wildcat strikes.

### Wage Push

Although the outlook on wage increases this year seems relatively moderate, following the precedent-setting 15 percent pay rise for West Germany's four million steel workers, the fear of more wildcat strikes set off by Communist agitation might well cause a change in union policy. This seems no longer improbable since the powerful chemical workers' union has already announced that it will not regard the 8.5 percent pay boost for the metal workers as a guideline in its own negotiations with industry. The union is demanding 11.5 percent more pay for its members on the grounds that West Germany's chemical industry operated more profitably than steel last year.

Referring to last month's wildcat strike by Hoesch Steel workers in Dortmund, DGB Chairman Vetter said in a recent interview that any further increase of the cost of living index would necessitate advanced negotiations for new wage increases. In West Germany, labor-management agreements on wages and salaries are normally for one year, meaning that the steel workers' wage settlement would not come up for regular renewal before January of 1974.

### Labor Costs

The often-heard accusation that West Germany's union leaders "are just bosses like the rest" thrives on the fact that the DGB has been able to smash a fortune in member dues because of the rarity of costly strikes in the first 20 years of the Federal Republic's history. The unions used these funds to build up a veritable empire of interlocking interests in banking, housing construction and chain store operations. The union-controlled bank Fuar Gemeinwirtschaft, BGW, now ranks as the country's fourth-largest commercial bank after Deutsche Bank, Commerzbank and Dresdner Bank.

According to a recent EEC sur-

vey, West German industry led the Community in labor costs per man hour. At the end of 1972 the survey established, each man hour cost West German industry DM 10.50 in wages, social security payments and fringe benefits, 1968 the comparable amount stood at DM 6.45, the survey said.

Automation, a hotly debated issue in the 1950's and early 1960's has long ceased posing problems for the unions because West German industry managed without difficulties to retrain personnel made redundant machines. On the contrary, a spite rapidly increasing automation in most fields of industry there has been a chronic labor shortage for almost a decade. Unemployment rate has been hovering around 1 percent, years, with about four to five times as many vacancies as seekers.

"Instead of worrying about automation," union people say, "we should have drawn contingency plans for dealing with a mass influx of foreign workers." Making up for domestic labor shortage, West Germany has now absorbed a total of 2.4 million foreign workers, mainly from Mediterranean countries, and recent estimates project this figure to three million by 1975.

### 'Guest Workers'

The swelling number of foreign workers, called "guest workers," here, poses a challenge to unions because few of them are interested in more "pulling up money" for a triumphant homecoming, as union spokesmen put it. He said that though the unions intensify their educational efforts among the foreign workers, few of them cared to learn about their basic rights such as time regulations or Sunday work. West German unions fear action by Communist agents and foreign workers.

However, the problems of foreign labor and Communist infiltration are minor issues compared to the larger question whether or not the unions use their influence to help (1) collar Brandt in his efforts to preserve his Social Democratic party's appeal to Germany's workers of life. This is not only by subsidizing the neo-Nazi demands for a new social class, which are now being won with increasing fervor by radicals in his own party and the unions.

Today photographer W.P. Geller, winner of the award "The Golden Eye" of the 15th World Press Photo Competition 1971/72, presents the contribution made by Bayer (Germany) to the World Food problem.



Almost 60 percent of mankind suffers from food deficiency. World population will double by the year 2000. Bayer co-operated with many scientists from different countries to inquire into present world food production. Realistic planning of the future is based on the results of this research to prevent the world food situation from going from bad to worse because of rapid population increase. The aim is to ensure step-by-step improvement.

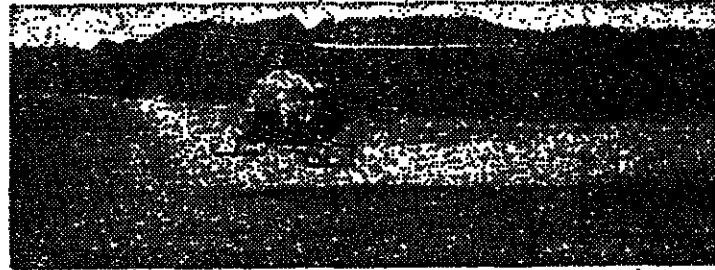


Dr. Cramer, author of the research paper "Crop Protection and World Crops," says: "It is not Utopian when we say that crop losses, which are still one-third of possible world crops, could be reduced to a fraction of the present amount if we made full use of available crop protection and preservation agents."

This was proved to be true in e.g. Japan and South Africa. For example, 25 years ago the Japanese rice crops were below the world average yield of 38 cwt. per hectare (1 hectare = 2 1/2 acres), just as today's Indian rice crop yields are still below the world average figure.

But there were no more crop failures since the rice stem borer and a dangerous fungus disease were successfully controlled with the help of Bayer crop protection products. Today the Japanese rice supplies are big enough to feed the population and even to export excess amounts.

Now Japanese yields have gone up to 101 1/2 cwt., topping the list of Asian countries.



When in 1958 thousands of millions of aphids threatened to destroy South African wheat crops, Bayer was quick to set up an air lift between Cologne and Johannesburg in a matter of hours. The dramatic race against time was won when spray planes destroyed the aphid colonies with Bayer crop protection products. Wheat crops, and thus the daily bread of millions, were saved.

# Let's go on!

Bayer focusses all attention on introducing crop protection products which are degraded in the plant and are then harmless to man and his environment. Every year up to 10,000 synthetic compounds supplied by Bayer

research chemists are tested for their suitability as pesticides, fungicides or weed-killers.

Only one or two of these substances pass all tests. It takes five to nine years at a total development cost of DM 15 to 25 million before a new substance can be brought on the market as a commercial product.



Degrading of the substance in the plant and soil is tested in infinitely thorough laboratory trials. Toxicity trials are then conducted for several years in different species of animals. Finally, the substances are tested over several vegetation periods in our own agricultural

testing stations in the Federal Republic of Germany, Great Britain, Japan, South Africa, Egypt, and the United States.

After these open-air trials, we conduct bulk trials under practical conditions in potential areas of application.

M. Cepède, President of the French Committee to combat starvation, made the following statement: "Technically speaking, it would be possible even now to supply enough food to a rapidly increasing world population. But in many cases we lack the political, economic and educational facilities to introduce modern methods of cultivation, pest control and stock preservation as quickly and as comprehensively as the need of the hour would demand." Without modern crop protection and pest control, 90 per cent of mankind would be starving instead of 60 per cent. This figure is still most unsatisfactory, but we can and must improve on it.

Bayer is active in almost all countries of the globe in the fields of chemicals, dyestuffs, engineering materials, man-made fibres, pharmaceuticals and crop protection products. Bayer Germany: An enterprise with 138,000 co-workers and 6,000 different sales products.



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## Wine

## Lush Vineyards With A Taste of Money

By Jan Nugent

WINZ (HIT)—No one knows for sure how long the green yards have clung to the hills overlooking the Rhine, evidence indicates a few planted as long ago as 100 years.

So great was the emigrants' interest in their progress he regularly dispatched letters from his nearby estate at Ingelheim to bring him news on how the imported plants were thriving.

German acquaintance in that if one must talk of about wine at all, one must stick to pleasant, historical nuances like this one. "To wine growing is something a romantic, traditional and religious—it is really an emotional experience."

Don't confuse matters by saying about the financial or material aspects," he urged.

Change  
is German wine queen still in her dirndl-like costume, the wine promotion pictures show smiling, bare-armed women carrying wicker baskets of grapes on their backs at test time. Would it shock wine drinkers to know that vines are often sprayed by pesticides now, and that grapes are deposited their harvest into containers carried on conveyor belts which crawl behind the rows of greenery? Behind the picturesque scene, which has delighted tourists, lots of vines are being made. In fact, wine makers (and the government) have been quick to spot and to move with water-soluble pesticides to make it a better and profitable one.

is fact is, of course, that consumption all over the world is skyrocketing, and so are

the prices. In Germany, where both domestic consumption and exports are soaring, the future looks bright indeed.

Wine consumption here has tripled in the last decade; this year the experts expect it to pass 20 liters per person. In the United States, the top export market for German wines, the per capita figure has doubled during the same time period. In 1962, 162 million gallons of wine were consumed in the United States, and last year the figure was nearly 350 million gallons.

The fact that French and California grape harvests were smaller than usual last year is taken as another positive sign for the local product. Even the currency adjustments, which will make German wine more expensive in the United States, are not expected to curb American imbibers much.

## Japan

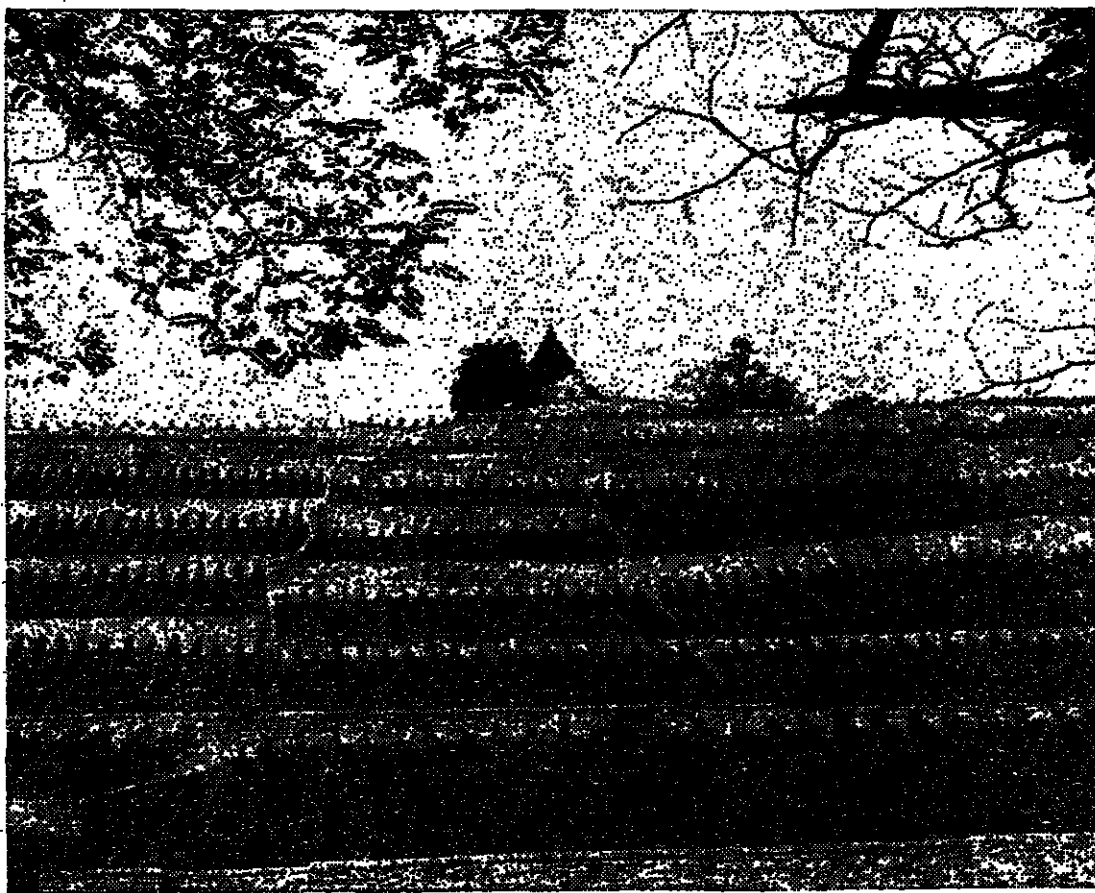
Britain, which is the second largest German wine fancier abroad, has just joined the Common Market, which certainly won't hurt the sales prospects there.

But the fastest growing market for German wines overseas is in Japan, where one expert termed the growth "unbelievable." He assured me the market there was growing far faster than in the United States and that Japanese wine drinkers have a particular fondness for Schloss Johannisberg.

The German Wine Information Center looks now for a 30 to 40 percent export growth this year, and predicts further annual increases as a matter of course. "Wine has become fashionable," officials explain.

The 1972 harvest of 7.5 million hectoliters (about 21.5 million bushels) was a relatively late one which produced what is generally conceded to be a high percentage of middle quality wine. About 15 percent of the wines produced were Prädikatswein (wines of the finest quality), 75 percent Qualitätswein (the middle range), and 15 percent of the more lowly Tafelwein (table wine).

After the tremendous successes of 1970 and 1971, last year could be regarded as a bit of a let-down, but German growers claim they don't see it that way.



Courtesy German Tourist Office.

They agree that the all-time high harvest in 1970 was fine and that the 1971 wine, which is already being hailed as "wine of the century," was unbelievably good. About 70 percent of the 1971 products were wines of the top, Prädikat quality.

However, the wine trade points out that the medium quality everyday wines were just not present in those years, and that the 1972 vintage fills a real market gap. In addition, it's clear that a great percentage (between 30 and 40 percent) of the sought-after 1971 wine still lies in the cellars of growers, and has not yet come on the market.

What makes for variations in wine? Soil changes, altitude, drainage, and exposure to the sun all play a part. And after the Second World War, the Germans embarked on a widespread program of land consolidation and rebuilding to make sure that their vineyards left as little as possible of any of these things to chance.

According to a survey in 1964, 86 percent of the total of 118,412 separate vineyard holdings in the

Federal Republic were less than a hectare (or 2.5 acres). About 14 percent were a bit larger than that, and only 800 (around 6 percent) were over 5 hectares (12.5 acres) in size.

It became obvious that the tiny, fragmented plots growing a potpourri of vine types on acreages inaccessible except to nimble climbers were impractical, difficult and expensive to work, and not as productive as they might have been.

Many of these tiny plots had been divided and subdivided again as inheritances and dowries. Some had been in the same family for centuries and were considered very valuable properties. Tampering with the traditions and customs of generations can't have been easy, but the process was begun and has already achieved measurable success.

The land consolidation phase was just that—a process by which, for example, a farmer with four widely separated vineyards was allocated his share of a larger scheme. Many hillside vineyards were totally reshaped with bulldozers into more rational shapes. Entire vineyards were rebuilt and re-

planted with the specific types of vines which research showed grew best in that area. Drainage systems and access roads were also installed.

Viniculture has always been tedious, tiring work, but in these remade vineyards it is a bit easier, because machines can be used to ease the burden.

The process is not finished yet, but more than a beginning has been made—and most of it has been paid for by the government. By the end of 1971, about 38 percent of the German vineyards slated for this program had been consolidated and rebuilt. In Rhineland-Pfalz, which has the largest amount of vineyard acreage, about 1/3 of them have been renovated.

But fortunately for those who delight in the romantic aspects of wine culture, not all vineyards will be organized and shaped and pruned to conform to the purely practical needs of the 20th century. In some places, the verdant green rows will remain exactly as they always were to give further generations of tourists a glimpse of "picturesque old Germany."

## Telling a Bottle by Its Label

MAINZ (HIT)—In the future, even a wine amateur will be able to tell at first glance just what kind of German wine he has in front of him just by looking at the label.

So says a brochure explaining the new German wine law to consumers. The new labeling system, which was first made mandatory with the 1971 vintage, has some advantages—not the least of which is that it is backed by official government supervision and testing from harvest through processing, including chemical analysis and sensory testing by an official commission.

The word *naturwein* (natural wine), which once was a mark of quality but which had been abused in recent years, can no longer appear on labels. Officials point out certain chemicals have long been used in wine preparation, and over 20 such additives are now permitted.

In addition, some of the famous old wine names will either not be used at all, or will apply to a much larger territory in the future. The law allows only names with a specific amount of acreage to be placed on official lists. Thus *Piesporter Goldtröpfchen*, once a name used for wines from a relatively small vineyard on the Mosel, will now appear also on bottles from several neighboring acreages.

## Harmony

One reason for the new wine law, the fifth in the last hundred years in Germany, was the need for some further harmonization within the Common Market. But the rigid German controls from vineyard to cellar generally go beyond what the EEC would have required.

Jochen G. Bielefeld, head of the German Wine Information Bureau, offers an additional reason. "Many Italian and French wines are cheaper than ours. We can only stay competitive if our wines are of a good quality on which the consumer can depend."

From now on, German wine fanciers have to reckon with three general classes of wines:

● Table wines (*Tafelwein*), the lowest quality wines sold without an official test number.

● Quality wines (*Qualitätswein*), middle quality wines.

● Quality wines with award (*Qualitätswein mit Prädikat*), highest quality wines which carry these additional descriptive titles. In ascending order of quality—Kabinett, Spätlese, Auslese, Beerenauslese, Trockenbeerenauslese.

The two top wine classes carry the official examination number (*Ämliche Prüfungsnummer*) which German vintners say gives consumers "tested quality in every glass." This many-digit number also tells regulatory officials where the wine was tested, grown, bottled and in what year.

## The Process

Achieving the right to use the official test number on their wine labels is a long process for German winemakers. It really begins every autumn when they are told by official testers just when the harvest should begin. This very important date is no longer left to the discretion of the grower.

During the harvest, specialists from the local testing office make spot checks in the field and in the cellar where the wine is processed and stored to be sure everything is being done according to the official guidelines.

When the wine is ready to come onto the market, a chemical analysis must be made in a laboratory at the grower's expense to be sure that the wine fulfills certain minimum standards for alcoholic content, sugar, and other qualities.

If this is satisfactory, three bottles of the wine are taken to the official testing place in each of the wine-growing areas. There, a special control number is assigned to assure anonymity for each wine and its producer during the testing process. Two of the bottles are retained in the wine cellar of the maker or the testing authority for future reference.

The third bottle is opened and examined by a commission of experts and rated according to a 50-point scale. They test for color, clarity, taste and smell, awarding points for each quality.

A wine must receive at least 13 points to carry the Kabinett designation, and the minimum

are scaled upward to 20 for the highest label designations.

Even then, the process is not complete. German winemakers must agree to allow the test officials to come into their cellars at any time for spot tests.

And even consumers have a chance to protest if they buy a bottle which they believe does not live up to its label. They can protest to the retailer and to the wine authorities, who will then test one of the two bottles held in reserve. If the authorities agree the product does not live up to its labeling, the buyer can get a refund.

The testing office in Eltville am Rhein estimates its costs at 400,000 marks annually, which it hopes to recover from the test charges assessed the wineries. Test fees run from 20 marks for lots of 2,000 to 6,000 bottles to 125 marks for those of 20,000 bottles.

Each wine-growing Land (state) sets up and administers its own testing station and also decides how expensive the testing process will be for its clients.

## The Cost

It can be assumed that the wine makers pass on this additional cost to consumers. However, Mr. Bielefeld reckons that the whole test process costs wine buyers only a few pfennigs a bottle, and that it is a cheap price to pay for "assured quality."

If a vintner is discovered using labels which do not accord with official tests, he can lose his right to official testing for his product. It would then have to be sold as the cheaper table wine classification. However, Mr. Bielefeld said this has not yet occurred.

Authorities say that the complicated procedure is not only an attempt to improve wine quality, but also to enforce better, more modern sanitary procedures all along the line.

"When a wine is refused by us because of uncleanness we call the vintner to us and advise him," one official explained. "We tell him clearly why his wine was refused and try to help him, so that with good preventive measures he can keep this from happening in the future."

—JAN NUGENT.

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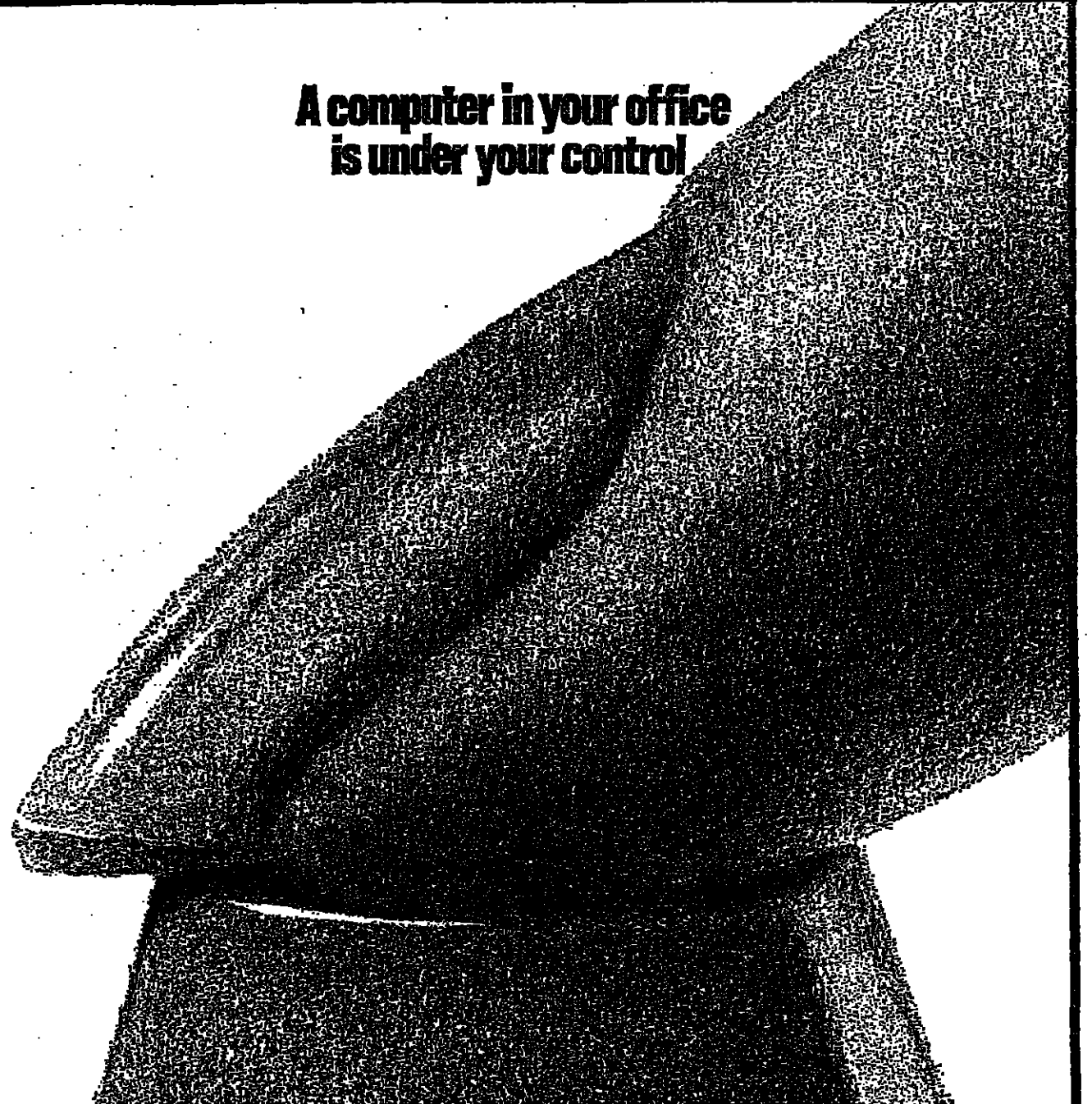
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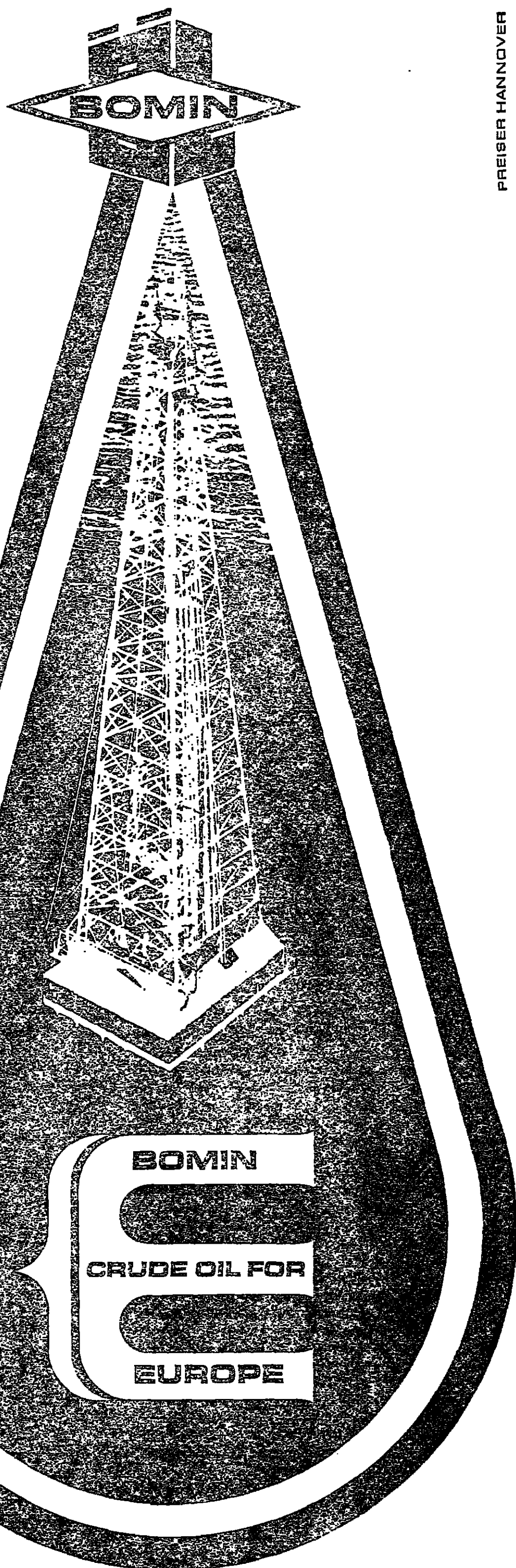
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## Investment

# The Mutual Fund Market

By John M. Pearce

FRANKFURT—German mutual funds had a record year last year, selling more than 4 billion marks' worth of their product to buyers here and abroad. Much of the year's success was spurred by the increasing popularity of open-end real estate funds and by substantial purchases of German funds by foreigners.

Sales of open-end real estate funds more than doubled last year, while securities funds did even better, selling more than 3 billion marks' worth—still a bit short of the record 3.4-billion-mark level they achieved in 1969.

At the same time, industry leaders congratulated themselves on the healthy pace at which German per-capita investment in mutual funds was growing. Last year, Germany's figure was 250 marks, compared with 72 marks five years ago. Switzerland with 869 marks, the United States, 844 marks, and Great Britain, 288 marks, still lead, but the gap was closed noticeably during the year.

The Germans have traditionally been great savers, socking away about 12 percent of their income last year, for example. But they are also noticeably conservative about where they put their money, having a pronounced predilection for savings accounts. However, industry leaders say, the public is also becoming more conscious of how much galloping inflation erodes each savings, and this has helped mutual funds.

The rising German stock market, the general economic upswing and the increased money supply (too much increased for the Bundesbank's taste) all helped make the year a financially successful one for most of the domestic funds.

### Foreign Income

However, all was not unalloyed contentment. A healthy proportion of the robust last year sales figures was achieved by investments from foreigners in German mutual funds. From time to time last year, 30 to 50 percent of the new investment came from abroad, even though only a few German mutual funds have an active market outside the Federal Republic.

This over-the-border income was abruptly cut off earlier this year, when the government decided, in an attempt to curb further capital inflows, that, with a few exceptions, no one residing outside Germany should be allowed to invest in German shares.

Industry officials are hoping that the ban will be short-lived, but thus far they have had little reassurance on that point. If the prohibition on sales to foreigners is lifted soon, it should have little effect on the current year's sales figures. However, if it continues as some believe it will, until a firm agreement is reached on a new international currency system, it could rub a bit of the shine off the results this year.

As of now there are only two big German funds actively sold in other countries—Concentra and Unionfund—both of which invested only in the German economy. But they are among the largest, most successful funds in the entire industry, and both scored substantial successes with foreign investors in 1972. (In addition, the DEKA fund group has begun to sell in Switzerland.)

Concentra, managed by Deutsche Investment-Trust, made about 40 percent of its total sales to foreigners last year—mostly to residents of Belgium, Luxembourg, the Netherlands and Austria.

At Unionfund, managed by Union Investment Co., the percentage of foreign money was a bit lower—probably around 25 to 30 percent. Its foreign buyers lived mainly in Switzerland, Belgium and the Netherlands.

J. A. de Ridder, managing director of DIT, predicts the ban on selling equity shares to foreigners is only "temporary... It will not last... but our industry can only grow in a free capital market like the one we have had in recent years."

Another problem for funds like Concentra and Unionfund is foreign investors who want to reinvest their dividends. Under present rules, that is not allowed. But the industry trade association has asked the Bundesbank for special permission to allow these out-of-the-country shareholders to reinvest their dividends in additional units.

Why all this interest from investors in other countries? "There are several reasons," Mr. de Ridder said. "German securities markets are becoming more important in the EEC, and Germany is a big country with big, well-developed industry. It's only natural that people living elsewhere would want to participate."

"Yes, we have increased our sales efforts abroad this year in comparison to five years ago," he said. "It was such a good year because we were successful selling abroad."

What would happen if the ban on sales to foreigners stays on? "Well, I could take a longer holiday," joked Mr. de Ridder, who was leaving on his vacation the day after the interview.

Wolfgang Mellen, assistant managing director of Union Investment Co., noted that foreign purchases can always cash in their Unionfund shares if they like. However, in many cases, there are enough Unionfund shares

*The rising German stock market, the general economic upswing and the increased money supply all helped make the year a financially successful one for most of the German domestic funds.*

abroad (around 400 million marks' worth) to make an independent market in other countries.

The day of the interview, Mr. Mellen proudly displayed figures showing that Unionfund shares were being traded in Brussels at a rate considerably above the German selling price. He said "last year's figures show we can do a fine business abroad as well as in Germany."

The German funds had still another reason for self-satisfaction about last year. Foreign funds, which had accounted for 30 percent of the total mutual fund shares sold here as recently as 1969, continued in net redemptions.

Why the change in the shape of the market? One was the well-publicized debacle of IOS, which had cut a wide swath in Germany. And the other is a new, tough law (spurred on the one hand by foreign funds' shortcomings and on the other by their successes in the German market), which requires foreign funds to pass a stiff government inspection before they are allowed to register and sell stock publicly in Germany.

In 1969, the year when the high-steps dominated the market, there were 450 foreign funds in Germany. At present, only 53 of the 150 foreign funds who originally asked permission to sell here have been approved. An additional 14 are still under investigation, 10 were rejected outright and 73 others withdrew voluntarily—most of them after realizing they would not be given permission to sell.

The German law is regarded by many as a model for other countries. Under it, foreign funds wishing to offer shares publicly in Germany must register with the Bundesbank's regulatory agency in Berlin. They must have a representative and paying agent in West Germany and a West German bank to act as custodian. Specific financial data must be published, and selling practices and advertising are also regulated. (Foreign funds already listed on a stock exchange or which are only sold privately are exempt from the law.)

West German funds must comply with similar regulations. Certain investments and practices, such as purchase of letter stock, investment in certain over-the-counter securities, etc., are prohibited. Their directors must meet certain standards and they must also name a custodian bank.

Most of the U.S. funds under SEC control were expected to have little problem getting approval. But now that many have passed the government's test, their troubles are far from over. For one thing, there have been two dollar devaluations to cope with.

### U.S. Funds

The German business newspaper Handelsblatt summed up its analysis this way in a headline early in March: "Currency Losses Decimate German Investments in the U.S." The paper pointed out that a German purchaser who had originally invested in a U.S. fund four years ago at the then-prevailing exchange rate of 3.99 marks to a dollar would receive only 2.85 per dollar if he wanted to sell his holdings now. That adds up to a currency correction of 28.7 percent, Handelsblatt noted. If the German buyer bought his shares two years ago, when the exchange rate was 3.8 marks to the dollar, he was a bit better off but still stood to take a loss when he sold.

Thus, as Handelsblatt reported, most U.S. funds sold here have had a fine growth rate when computed in dollars, but have actually lost value in terms of the mark.

However, many U.S. funds still claim that they are making money here, although not the fantastic sums they achieved in 1968 and 1969. One of these is the Dreyfus Fund group, which sells two of its funds in Germany.

Peter Dieterich, general manager of Dreyfus' German operations, says that after IOS collapsed at the beginning of 1970, "we experienced sharp losses of our small investors here in Europe, but the bigger ones stayed in the market."

"We used to sell the major part of our investment here in Germany," Mr. Dieterich explained. "Now our Swiss and Dutch sales have improved very nicely, until these two countries count for sales nearly equal."

"We are content with our business in Germany and particularly our 1972 figures, which show much higher sales and profits than in 1971. We still don't have the sales of 1968 and 1969, but also we have very little redemption. In comparison, we have less redemption from Europe than in the United States."

(Dreyfus, like most of the other U.S. funds here, does not publish a separate report for its German operations.)

"We have never been in the red in Europe," Mr. Dieterich

said. And he contends, in spite of the recent currency developments, that the United States is still a good place to invest. "I don't think it would be possible to get a better basis for investing in the United States than the current stock-exchange level there. I think there is a good opportunity now to invest in the United States."

"But it's possible that German investors have been frightened by the IOS scare," Mr. Dieterich said.

And this is a theme one hears time and time again from mutual fund officials in Germany. The crisis of IOS and other concerning funds seems to have shaped the market here decisively in more ways than one.

Not only did it help build support for a tough new law to protect investors against similar eventualities in the future but it had other effects. One was apparently been to largely discredit the idea of door-to-door salesmen selling mutual funds, although at least one small German fund does use them.

Most German fund management companies are owned by banks or groups of banks, which then act as sales agents for the funds. And apparently, in these hectic days, the conservatively inclined German investor likes the feeling of security and permanence this provides.

"Whatever happens," Mr. Mellen explained, "the customer sees that the bank is still there, and the salesman is gone."

"We don't need salesmen," says Mr. de Ridder (whose fund posted large sales gains last year), "and anyway, it's more expensive to do it that way." German funds' loading charges are generally in the area of 5 or 6 percent, compared to the 3.5 percent considered necessary to support a fleet of salesmen.

In addition, it's also a distinct possibility that the banks, who back the funds anyhow, like this sales business themselves and might frown on the idea of sharing it with independent salesmen.

### Tarnish

Dreyfus' Fund's Mr. Dieterich agrees that the concept of mutual fund salesmen has been tarnished in Germany. "And I don't think it will ever come back," he predicted. "I think selling over the bank's counter will be the most important sales effort here in the immediate future."

And it was not only foreign funds' sales which plummeted after the IOS collapse in early 1970. German funds' sales also dropped sharply that year but they stabilized later and halved this year—until they almost reached previous levels.

However, there were also some positive effects from those high-flying days. Union Investment's Mr. Mellen says "German funds are becoming more performance-oriented," and traces that directly to the 1968 and 1969 years.

"Now, performance figures are a matter of investor interest and our newspapers, for example, like to show them," he said. Although no one would by any stretch of the imagination call today's German fund "two-typer," there has been a visible change. Before the IOS era, German funds were not too well known and their growth was fairly static. In addition, their information and public relations policies were tight-lipped and colorless.

The statistics show German funds made their biggest gains when the foreign competition was at its best. And now, under the recent mutual funds law, much more information about their operations must be disclosed. In addition, the Association of German Investment Companies, the trade group to which most of the home-grown funds belong, was formed in 1972 largely to promote the mutual fund concept with information and public relations campaigns.

Because of the importance of the bank as sales agent or intermediary in the customer-contact process, much of mutual fund advertising is directed to the banks who will sell the funds rather than to consumers, who will be the eventual purchasers.

Mr. Mellen explains: "Our first effort in advertising was always promotion of the funds to our large selling network of independent and Volksbanks in over 15,000 locations in Germany."

Mr. de Ridder, in a separate interview, agreed that his company's ads were usually strictly image-advertising, "in the hope that our friends in the banks don't forget us." However, he also reports that his company was the first mutual fund group in Germany to include in its ads a coupon which readers could clip and return to the company to buy units or to ask for more information.

"At the moment, we prefer this kind of image-advertising as long as we can see that not 100 percent of the population knows what investment in mutual funds is," Mr. de Ridder explains. "First, we want to draw attention to in-

vestment, and then later, perhaps to us."

German mutual fund investors also appear not to be a terribly critical, argumentative group. Fund managers interviewed say they receive perhaps two or three letters a month from their shareholders.

As for the psychology of German fund buyers as seen by fund executives: "It seems to me right now that the man on the street buys only based on measure: high distribution, one thing, it's such a nice way for the seller to explain the buyer: 'Look, with this you get an 8 percent (or 10 percent) return on your investment.'"

"Of course everyone expects profits cannot be expected march on from year to year the same rate. But we have examples here in Germany sales stopping almost completely after a fund cut its distribution to shareholders," the exec said.

The mutual fund idea when caught the German public's imagination in recent years was open-end real estate funds. These funds also must comply with relatively new, strict regulations and, in addition, investors them as a real chance to hedge against Germany's ever-increasing inflation.

In 1970 (the first year open real estate funds were subject to the law), 150 million marks were sold. In 1971, the figure was 480 million, and last year rocketed past the billion-level. Although the 1971 performance figures were no flashier as in previous years, results were still apparently enough to satisfy most buyers.

These open-end real estate funds must also register with regulatory authorities, disclose specified information in a particular format and a depositary bank in the country where the fund is regulated, since it is directly to a valuation of the fund's made at least once a year committee of experts.

Manfred Mathies, asset manager of the DESPA management company, said "had had a very positive effect" on the business of his company's open-end real estate funds. "DESPA Funds have been strengthened by this statute, because the customer wants the security that his investment is safe, that where the law is everything is in order."

DESPA Funds invests in office and apartment complexes in several locations in Germany. Color pictures of these properties illustrate the company's sales brochures. Both the DESPA (real estate) Funds and the DESPA (securities) Funds are run by the same managing group, headquartered in Frankfurt.

"We haven't had many buyers in the past... We've looked for them," Mr. Mathies said, although his company's funds are now sold to a extent in Switzerland. "In the future, after present regulations are lifted, we will look for them. We are looking right for serious, interesting people to work with in other European countries," he said.

Another kind of real estate investment is causing a lot of interest among both prospective buyers and regulators in Germany these days. It's called closed-end real estate funds. They are not under any regulatory present, but the Bundesbank recently suggested that should be.

The same suggestion was made before with no real results. But this year, the Finance Ministry indicated it was thinking about some sort of regulation, which would probably be constructed along the same as the rules governing open-end funds.

### Closed-Enders

Closed-end funds are of appeal to high-income buyers for whom a substantial tax is involved. (Conventional open-end funds already have a tax advantage, in that the 25 percent tax usually withheld on dividends of directly-held securities is paid by fund shareholders.)

Because closed-end real estate funds are set up for specific properties, unit holders are not like landowners for tax purposes. They can make use of depreciation, and even if the properties are located in Berlin, a still higher special depreciation rate applies.

The larger the amount of money within the fund, the greater the tax advantage, because unit holders claim depreciation for total construction costs.

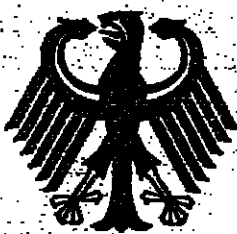
Hence, usual cash distributed to unit holders, which can amount to from 4 to 7 percent of money paid in, are largely completely exempt from tax. The first few years after the project is completed, in other words, the income does not increase, but the income tax there are also continuing property and inheritance tax advantages.

There are not many statistics around to show just how big or important these closed-end real estate companies are. But the Bundesbank gets enough data to combine these funds "are hardly less important today than open-end funds."

(Continued on next page)

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## The Stock Markets: Year of Foreign Buyer

FRANKFURT (IHT)—The record books will probably show 1972 as the year foreign buyers most took over the German stock and bond exchanges.

As far as stocks were concerned, the full year did not show a major increase in the index at hopeful watchers noted with assurance on Aug. 10. It was then 3 percent higher than at the end of 1971, but by the time the year ended the gain had dropped back to 11.7 percent—still positive, at the same time a disappointment.

The major influence on stock and bond prices last year was something that could not be foreseen when 1972 began—the objective measures the Bundesbank and government took to keep capital out of the country. The year's increase in the money supply was dangerously high at rate, and in an inflation-prone country such as Germany the potential for domestic economic ruin was too high to be tolerated, especially in an election year.

Until mid-year, when the first measures took effect, the Bundesbank's preliminary balance payments statistics show a slight inflow into securities—mainly stocks—purchased for the purpose of acquiring ownership participations of DM 2.5 billion. For the final half of the year, that dropped to DM 3.2 billion, and there was a small net flow of money that previously had been invested in bonds.

For the entire year, however, the net capital gain was DM 12.7 billion, as opposed to DM 2.5 billion in 1971. The two previous years showed net capital outflows,

and in 1969 the loss was almost as high as 1972's gain.

Covering the entire year, the Bundesbank figures show the net gain in foreign capital investments in Germany was almost DM 11.5 billion, the highest year on record. At the same time, German investment abroad rose by only DM 2.5 billion. Together, the two figures provide the most graphic comparison of Germany's new attraction and the appeal of the deutsche mark. As recently as 1970, Germans had placed more money abroad than foreigners had invested in the Federal Republic.

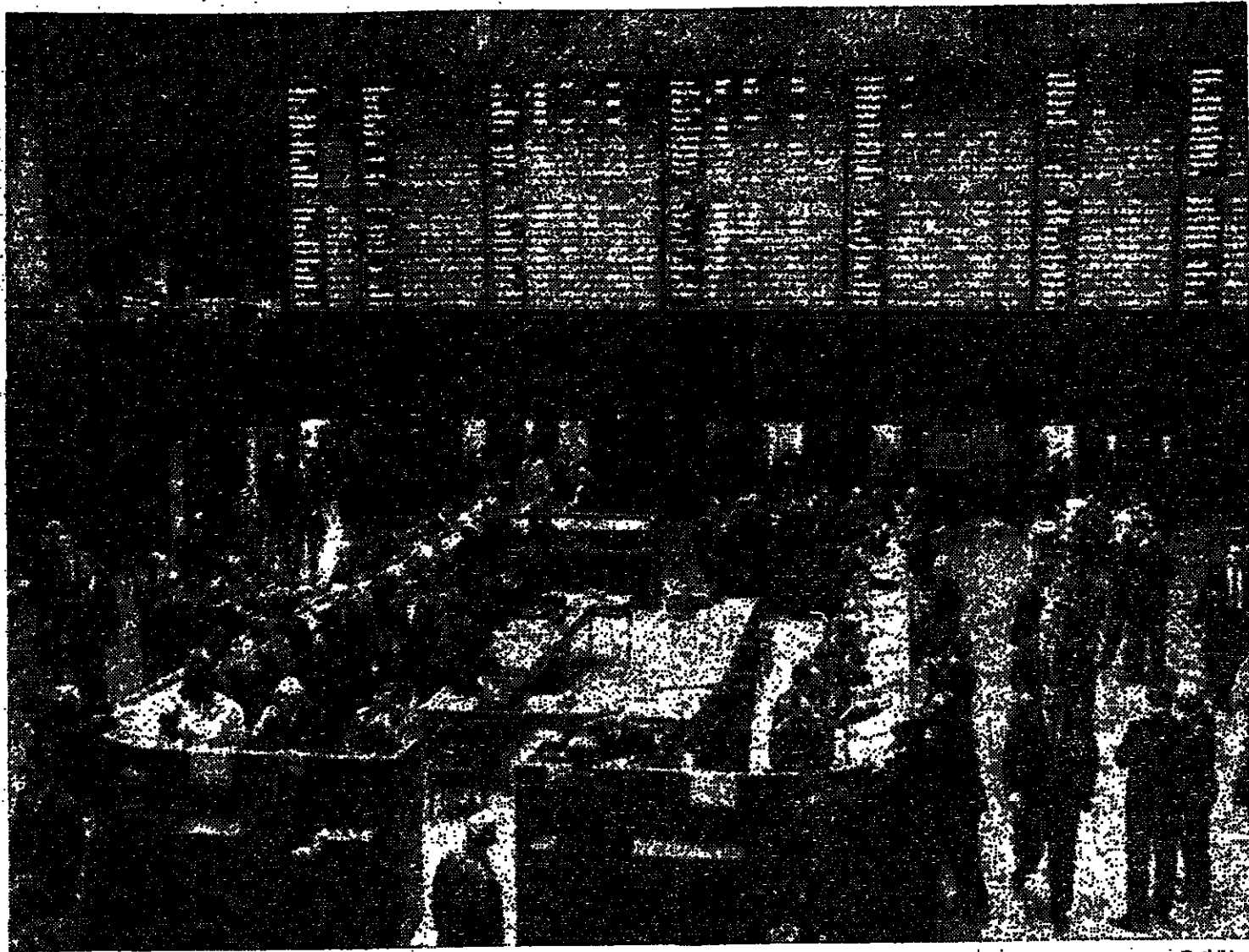
The government's strict capital-control measures will mean a substantial change in the relationship for this year, especially in combination with such factors as Washington's recent encouragement to potential foreign investors.

But despite the ebb and flow, more German industries managed to show good increases in the prices of their stocks, and the underlying favorable business development has brought increased dividends for shareholders in a good many of them.

The following figures, from Deutsche Bank, give a good indication of the friendly exchange climate in 1972. They show the change in stock prices, in percent, during last year.

Energy, water supply	-5.4
Iron and steel	+19.2
Chemicals (dyes)	+12.6
Machine tools	+13.6
Electronics	+36.4
Construction	+66.3
Commercial banks	+8.9
Mortgage banks	+29.9

Early this year the Börsen-



Germany has stock exchanges in virtually all of its major cities, but the Frankfurt Börse has in the past few years become the most important of them, followed closely by Düsseldorf.

were strongly influenced by the dollar devaluation, but the overall health of the German economy kept the February loss to 2.7 percent, as measured by Commerzbank. Export-oriented industries,

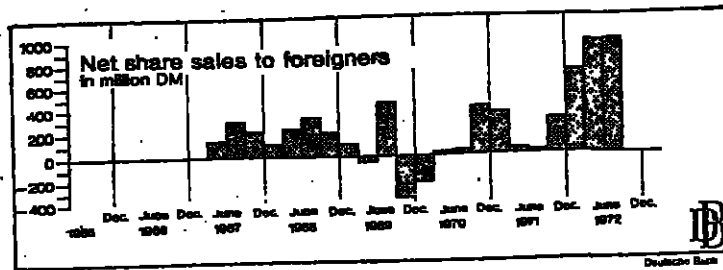
of course, were somewhat more strongly affected, but other areas just about made up the difference.

Even reports that the restriction on sales to foreigners might

be lifted were enough to revive interest, but the potential for serious disturbances caused by currency unrest remains.

In the individual industry areas, steel looks particularly

favorable, because the flourishing market seems strong enough to overcome the effects of the dollar devaluation, in the view of bank experts. A good bit of interest was generated last month by



August Thyssen-Hütte's offer to buy a majority of the shares of Rheinmetall AG, a takeover bid Rheinmetall's management recommended be accepted. Together, the two firms would have sales of around DM 15 billion a year, and the move would be of assistance to Rheinmetall, which is expecting little or nothing in the way of earnings on 1972 business.

In the energy area, which was one of the few industries to have experienced dropping stock prices last year, some stabilization of orders is expected. The biggest firm in the field, Rheinisch-Westfälische Elektrizitätswerke,

is hoping for better dividends and expects to be able to increase its output of electricity about 8 percent this year.

Among the electrical companies, Siemens will pay a DM 8 per share dividend and is planning a capital increase later this spring.

Major chemical companies have, one after another, reported increased earnings or outlook for 1973, while the machine-tool firms will be affected by exchange-rate changes to a greater extent than most other industries, since much of their competition is from firms in the United States.

## Mutual Fund

(Continued from preceding page)

There are about 40 real estate companies administering about 240 closed-end real estate funds with assets of 5 billion marks—twice as large as those of the regulated open-end funds, according to the Bundesbank. However, that institution also pointed out that it's possible that 3 billion marks of the total is borrowed money.

The Bundesbank raised several questions about whether these operations as presently constructed offer sufficient protection to investors. In many cases, for example, the units cannot be resold to the fund management, as can conventional fund units; a private buyer. Also, because they are so closely tied to a few specific properties (or sometimes only one), the "spreading of risks" which occurs in open-end funds is not present.

Recently, German analysts have voiced pessimism about how much longer the real estate boom in general can go on. There is at present new office and apartment space standing vacant—something unheard of in Germany a few years ago—because the rents are simply too high.

One fund manager put the situation this way: "The problem now is to get a return on these high prices. Fund managers can't continue to give even higher returns on new money invested with them. But on the other hand, I don't see an end to inflation. The cost of putting up buildings won't go down either."

"I would say, in general, real estate offerings will continue to be interesting to investors, but it would be reasonable not to expect the same rate of development in the next few years as we have seen in the recent past."

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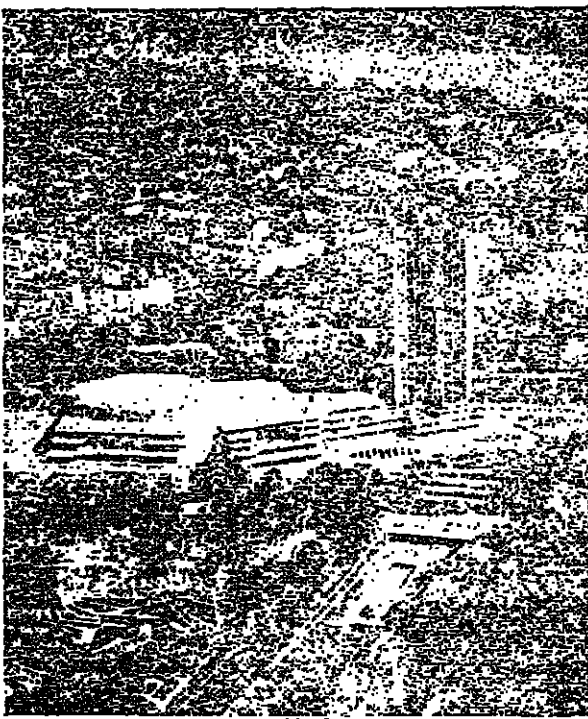
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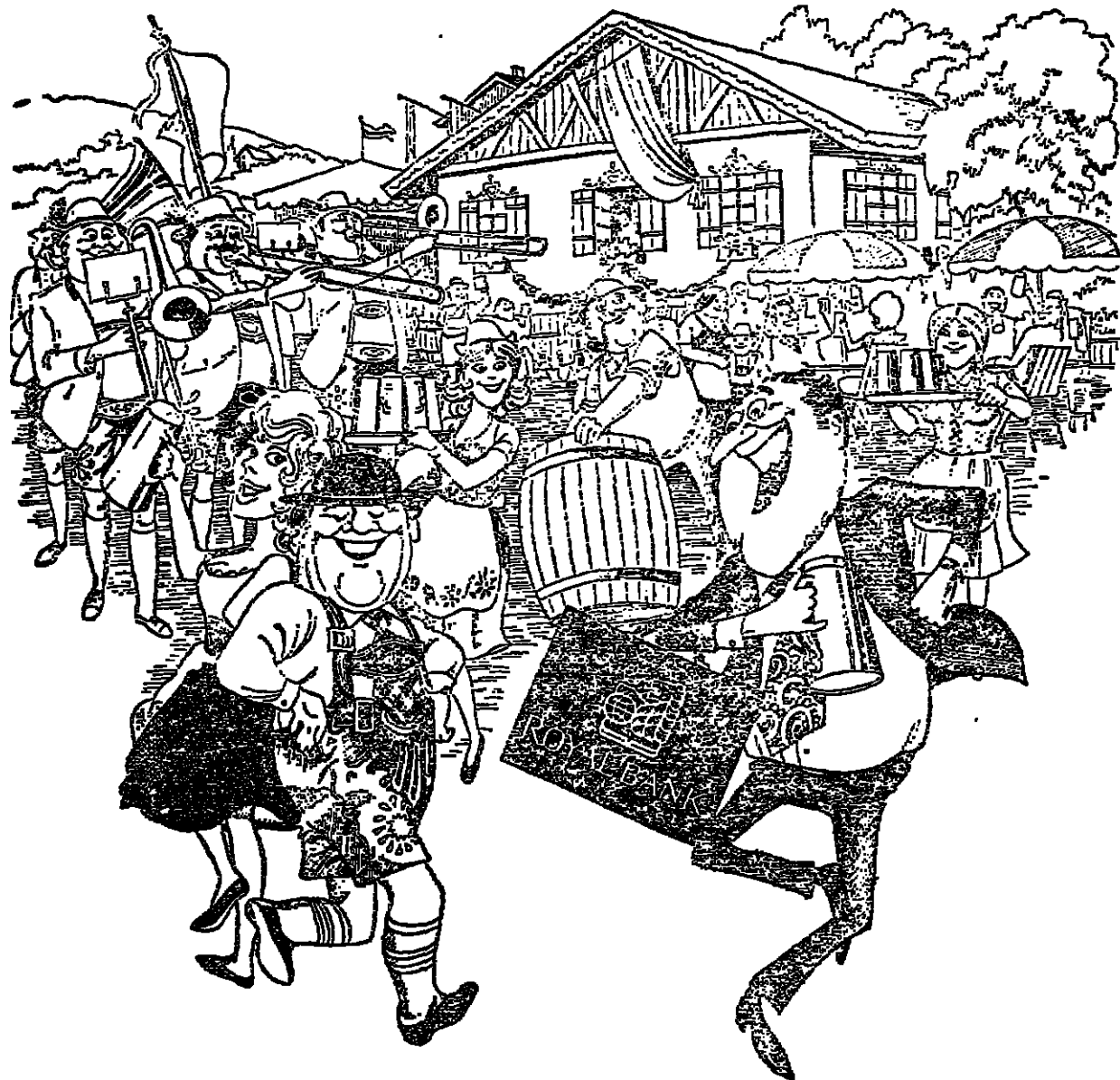
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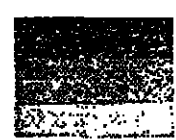


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## The Home

### Home Furnishings—a Surging Industry

By Vera D. Hahn

**FRANKFURT (GHT).**—The West German furniture industry has every reason to be pleased with itself. It has just achieved a growth rate of 13.5 percent, which puts it above the average for industry as a whole here.

A recent study by a retail trade association (Hauptgemeinschaft des Deutschen Einzelhandels) predicts that the furniture industry will experience the biggest growth rate registered in the West German economy until a leveling off period is reached in 1985. By then, the association hopes for a 180 percent increase in retail sales.

Obviously, somebody is doing something right here, for retail sales almost doubled between 1968 and 1972—from 5.7 billion marks to 10.3 billion marks. Sales per employee during that period are said to have gone from 106,000 marks to 199,000 marks.

A slump in the cooperative apartment market due to inflated prices is not expected to affect the building boom, which is still in full swing, and which is mainly responsible for the expansion in the furniture industry. Some even claim it is picking up further momentum.

In 1972, building permits were issued for 865,000 dwellings in the Federal Republic. This was a 10 percent increase over 1971 and many experts believe 1973 will be an even better building year. Industry spokesmen also report that 16 million of an estimated 23 million German homes have inadequate or totally outdated furniture that will have to be replaced before long.

Still another reason the future looks rosy for German furniture men is that motivational researchers prophesy that they are about to get a bigger share of discretionary income than they have up to now. Maybe they will be luckier than their U.S. counterparts and this will just occur without any special effort on their part.

U.S. furniture manufacturers and retailers have had to fight every inch of the way competing against automobiles, travel and home entertainment equipment. To this day their slice of the discretionary dollar isn't as plump as they think it ought to be.

#### Exports

Furniture exports have also risen a healthy 17 percent. According to the Federal Statistical Office 679 million marks worth of furniture was shipped out of West Germany in 1971. In 1972, this rose to 794 million marks, with Holland the biggest customer. At the same time furniture imports increased sharply by 37 percent to a total of 577.7 million marks. Belgium, Luxembourg are listed as the biggest suppliers.

However, there are a few cautionary notes amid all the elation. The president of Europe Möbel, the biggest buying syndicate for independent furniture retailers in West Germany, warned recently about the dangers of consolidation. Here, as in the United States, the industry giants are beginning to gobble up smaller and less viable furniture makers.

If this trend continues, the independent retailer may end up as nothing but a very dependent factory representative. Design and business conditions would be dictated by the multimillion-mark concerns. The retailers also claim that variety of choice would be narrowed if the giants are permitted to take over.

Consolidation is also a specter that haunts the textile industry here. Fifteen years ago there were 4,682 mills. Since 1966 their number has shrunk to 3,407. Survival chances for firms with an annual turnover of less than 100 million marks are very slim indeed. So far, however, the textile industry has not seen fit to take any concerted action to avoid the end results of this trend.

But probably the best view of the West German home furnish-

*It is predicted that the furniture industry will*

*experience the biggest growth rate*

*registered in the West German economy until*

*a leveling off period is reached*

*in 1985. By then there are hopes*

*for a 180 percent increase in retail sales.*

ings industry—its latest trendmobile living has been most influential as a change-maker. In a very few short years, seating here has gone from the conventional three-piece suite or group to the seating system to the living landscape. These "Wohnlandschaften," as they are called here, turn the room into a multi-level environment with a series of platform-like elements. Backs and arms are removable, tables and small storage units are often upholstered to match.

#### Cologne Fair

**COLOGNE (GHT).**—The German Furniture Fair (Deutsche Möbelmesse) only goes international every second year. Though this was supposedly an off year for Cologne, the mood there was euphoric.

And with reason. For once, optimism didn't need to be tempered with caution. Everything, including the prices, was booming. Even the number of exhibitors had grown from an initial 623 in 1969 to 815 this January.

Some of the merchandise on display here comes as a surprise to first-time visitors who are not used to seeing such things as kitchen cabinets as furniture market. Here in Europe they are considered furniture, because they are purchased by the consumer and are not part and parcel of the apartment or house.

On the whole, these kitchen "programs" tend to be look-alikes. However, the newer and more expensive wood ones do have a little more personality and warmth.

Another important category is "hall furniture," free-standing or wall-hung coat racks, hats and umbrellas, etc., that take the place of the hall closet.

Instead of free-standing dinette furniture, the Germans have what they call eating areas ("Essplatz") furniture sets. These usually consist of a pair of wall-hung benches, table and four chairs. Seating is small to hippopotamus and styling Tyrolean-rustic. Juvenile furniture (teenage and youth), which was highly imaginative at the Paris market (Salon International du Meuble), was disappointing at Cologne.

The complete lack of built-in storage is also responsible for the multitude of storage programs on view. These systems for bed, living and dining rooms, for studies and teen-agers, run the gamut from budget to luxury, from modern to traditional, from laminated plastic to glass and chrome, from natural wood to highly polished rosewood. Interior fittings and hardware are apt to be well designed and superbly functional.

In modern case goods, the trend is to modified roundness—quarter-round corners rather than outright curves as the Italians do them. In contemporary styles are going rustic. Straws in the wind here: oak has moved into first place, ahead of American walnut even, and natural pine is coming up fast. Teak is on the way out.

#### Plastics

Though the Federal Republic is one of the world's largest users of plastic, and plastic components are becoming important in the furniture industry here, there was nothing new in plastic furniture.

The not-entirely new concept of "mobiles Wohnen" (mobile living) was still causing a lot of talk at Cologne. Consensus is that it is much more than just another clever slogan. Because it obviously answers a real need, it is considered an overall as well as a long-term trend. It is credited with loosening up traditional German living habits.

"Mobiles Wohnen" means getting more mileage out of single-purpose rooms with adaptable multi-purpose pieces. Furniture for mobile living must have the possibility of change—the options—built in.

It is in the area of seating that

The seating system and the living landscape have one thing in common, they can be changed around at will to suit changing locations or circumstances.

And the storage system and the living landscape are new versions of early modern built-ins—without the commitment, the permanence, that made built-ins impractical and unpopular. Between them, they can change the entire aspect of a room, for free-standing furniture suddenly seems superfluous.

Now that the multi-level environment is the "in" thing to have, beds are beginning to look like platforms, too. Several examples of such platform beds were seen here. Side rails and footboard are flush with the mattress top and very heavily padded and upholstered so that they can be used as seating or display ledges. The headboard is only slightly higher than the mattress.

In more conventional upholstery, West German manufacturers are obviously styling up. French, Italian and American designers have taught them how to relax and they are beginning to make more casual, comfortably sloppy styles for young consumers, and to give middle-of-the-road modern ones the luxury look of real down cushions.

Up to now, American designers have always looked to Europe for inspiration and ideas. This time around it became obvious both here and in Paris that Europe home furnishings fashion leaders are watching America very closely. Americanisms are creeping up with increasing frequency in upholstery fabric designs, where quilt, patchwork and American Indian patterns look new to European eyes. Another Americanism is the trend to wicker and bamboo furniture. Bloodlines here run straight back to the San Francisco-based McGuire company.

#### The Fachmesse

**FRANKFURT (GHT).**—The sprawling International Fachmesse at Frankfurt is divided into three parts. There are floor coverings (Bodenbelag), curtain, drapery and upholstered fabrics (Heim Textilien) and domestic (Haus Textilien).

There seem to be as many theories about how best to cover Frankfurt's seven huge halls and the various pavilions between them as there are about how to break the bank at Monte Carlo. So far, nobody has developed a foolproof system for either.

To an American visitor who goes to markets primarily to see new merchandise, Frankfurt comes as a shock. Exhibitors display their entire stock, but make hardly any effort to feature new lines or collections. These have been introduced piecemeal to buyers long before the market ever opened.

Salesmen greet marketgoers' questions about "What's new?" with raised eyebrows. Their purpose is to write orders, not to talk about new trends or developments. This is a hard-sell market, and the undercurrent of design news and gossip that

makes American market situations so stimulating is missing. Frankfurt means business; Paris is the place for ideas and forecasts.

**Curtains and Draperies:** Design innovations were few and far between. A collection by Valentino, the Roman couturier, was based on Chinese and Japanese motifs and ties to with the growing importance of Oriental as an overall fashion trend in home furnishings here as well as in the United States.

Though the traditional European window treatment consisting of curtains and draperies was shown by the majority of exhibitors, there is a growing emphasis on casement weights—"in-betweeners" as one converter calls them. According to trade sources, this is also the result of the mobile living concept, and is particularly popular with younger consumers.

The Germans continue to show larger than life repeats in fairly harsh colors to go with modern. The more fashion-conscious buyers believe, however, that these supergraphics are about to disappear and be replaced by designs more in keeping with room sizes and ceiling heights.

Those leaders also report that a whole new palette, with washed pastels on the one hand and much brighter ones on the other, is in the making. The American influence is seen in a growing preference for pattern. So far, Europeans have been print-shy, particularly in upholstery.

**Floor-coverings:** Printed carpets and pattern generally were the talk of the market. Though German retailers continue to show velvets and nothing much else, carpet mills showed a wide variety of textures and patterns in long and often highly sophisticated color lines.

#### Patterns

Shags, which have become enormously popular in the American market, are just starting to appear here. So far, they've only been available in folk art styles like North African Berbers, Greek Folklore and Finnish Bergs. In sculptured patterns, there were numerous versions of dot and small geometrics, basket weave and brick designs. Printing, for which a great future is predicted, shows up as floral small geometrics and tile patterns.

Pattern is also coming to do it-yourself carpet tiles. One firm showed printed insert tiles as first step in this direction.

Though dark brown is still the number one color in carpets, one plus runs it a close second. The no-color naturals are also making a very strong showing, however, and look a lot more than either brown or purple. Grays, which are making a comeback everywhere in Europe and in all categories, appear as charcoal shades. The pastels are turning up with increasing frequency.

**Domestics:** This is a fashion business—you can't make money with staple items any more! It's how one towel manufacturer put it. And the same is true—only more so—in bedlinens. Close bed and bath coordinates, based on the physical proximity of these two rooms in the average American home, is not practiced by most European producers. In Europe, the bath is not necessarily an adjunct to the bedroom, but is often a separate entity.

Although browns and florals in repeats ranging from mini to maxi dominated the show, there were a multitude of other design inspirations. They encompassed everything from Madras plaids to Oriental prints, from a large collection of Moorish prints by an English firm to designer Primrose Bordier's Art Deco chevrons and Granny motifs.

Uncontested star of the show was chameleon-turned-designer Jean-Claude Pascal. He has done three separate collections that are backed by a retail program and personal appearances by the suave Frenchman, all under the aegis of Du Pont Deutschland.

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## The GI—A Fact of Life in the German Countryside

By Hubert J. Erb

WUERZBURG (AP). — The steeped and gabled old towns of German Franconia have absorbed three generations of Americans since the end of World War II.

First as conquerors, then as occupiers and now as allies, American GIs have become a fact of life in the South German countryside.

Perhaps more than other areas in Germany, the rolling fields, dark woods and hilly crags of the ancient land of Franconia has felt the continuing American presence.

Franconia administratively is part of Bavaria. But its people are distinct from the Bavarians to the south in language, dialect and appearance. The Franks are shorter, darker.

Travel about the countryside and conversation with the people reveals little open resentment against the "Amis," as the Americans are called.

Occasionally, slogans scrawled on walls tell the Americans to get out. "Amis Raus!" But there is nothing of the professional militancy encountered among Berlin's New Left or the violence of Frankfurt street demonstrations.

There is resentment. There is tension. But there is mutual curiosity, friendship and a live-and-let-live attitude that predominates.

Gen. Eugene K. Mearns, who commanded a recent field exercise that sent 35,000 GIs into Franconia's fields, towns and

*There is resentment. There is tension. But there is mutual curiosity, friendship and a live-and-let-live attitude that predominates.*

woods, declared in a newspaper interview. "I think the average German is genuine in his welcome to U.S. troops in Germany. Of course there are exceptions."

A pretty dark haired girl in Wuerzburg gave a more personal analysis. "We really do not notice that the Amis are here," she said. "I mean the young people. It is different with the older people. They remember the war and when the Amis arrived. But they do not like foreigners of any kind. Young people are different."

"The Americans," the girl added, "love Wuerzburg. It is old and it is romantic, something they cannot see at home. Me, I would like to see the skyscrapers of New York."

Franconia, as Germans call Franconia, stretches to the Wagerian Berreuth country, south to Nuremberg north in the direction of Frankfurt.

Its settlements lie like clusters of grapes around the traditional life stem of the River Main. Creditors dot the countryside of a people predominantly Roman Catholic.

Wuerzburg, Kitzingen, Bamberg, Ansbach, Aschaffenburg, Schweinfurt, and Nuremberg itself all have sizeable U.S. Army garrisons.

Wuerzburg, with a population of 130,000, has three thousand foreign guest workers and 5,700 Americans. Schweinfurt has a population of 60,000, with 51,000 industrial jobs, 30,000 daily commuters and 7,000 American GIs in barracks built for the Hitler Wehrmacht.

There are some 200,000 soldiers in the U.S. 7th Army based in West Germany and most of them, sooner or later, come to Franconia.

The two largest training areas in West Germany are here. Grafenwoehr, once used by Field Marshal Erwin Rommel's Afrika Korps, and Wildflecken.

The 10,000 men from Fort Riley, Kansas, airlifted here for the recent maneuver "Certain Shield," also went on to Grafenwoehr to fire their weapons over its 97 square miles of expanse.

German radio broadcasts include information on U.S. troop movements and long mud-splattered convoys move regularly over

the super highway autobahns, through Franconian towns and cities.

Two German officials were sought out for comments on the long standing American presence. Their expressed views indicated that the Germans are perhaps more open minded to the actions of young Americans away from home than is the U.S. Army itself.

Gen. Mearns had declared that the biggest single problem facing the Army in Germany stemmed from the many Negro soldiers in its ranks. Mearns's superior, Gen. Michael S. Davison, had declared earlier that the use of narcotics by the 7th Army also was of great concern.

But neither Karl-Heinz Mack, 46, a civilian responsible for security and police matters in Wuerzburg, nor Karl Baier, senior police inspector in Schweinfurt, described American racial tensions or drug use as problems directly affecting the German population.

"We have incidents," Mr. Mack declared. "Mostly fights, slashed tires, broken antennas, involving white Americans as well as blacks. But we in Wuerzburg have a good relationship with the Americans. . . . We have mostly division level staff people. Maybe it is different in the towns with mostly combat troops."

Mr. Mack said that drugs were not purely an American influenced problem. "Perhaps the American presence has added more dimension to it," he said, "but we would have it anyway, brought in by workers from the

Middle East and by other Germans."

He said that ex-American GIs were involved in a large ring snatched by Wuerzburg police but that most of the many former American soldiers who have settled in the Wuerzburg area were not participants in any criminal actions.

Police Inspector Baier in Schweinfurt is a tall, gray haired man, who puffs contemplatively on a pipe and whose handshake is firm. "I know," he said, "what it is to get barracks fever." A World War II German soldier, Mr. Baier returned to Schweinfurt in 1946. "I do know that if you want good troop deportment, the individual soldier must have spacious housing. I think the Americans here in Schweinfurt have this."

"There is little contact with the local population," Mr. Baier declared. "There used to be more, black and white soldiers sitting in bars and restaurants with the general public. But the Americans have capsuled themselves off. Now the blacks go to their bars, the whites soldiers to theirs. They do not mix with each other and they do not mix much with our people."

Mr. Baier said that Schweinfurt's relations with its Americans coming to Germany from Southeast Asia posed problems of readjustment. "It was a difficult time," Baier emphasized, "they had to be urbanized."

The period of large scale racial unrest inside the United States also was reflected in Schweinfurt. "There were black power



Children playing around cannon in German Franconia as GIs look on.

advocates and Black Panthers among the American garrison," Mr. Baier recalled, "and they found a large echo among other black soldiers. But the army removed them and things quieted down."

Mr. Baier emphasized that he felt there were no special problems with the German population and the black soldiers but rather that racial tension resulted from a racial confrontation within the Army itself.

He conceded that the availability of women was a classic problem for foreign troops in a foreign land, but did not elaborate. A bar owner, however, said that

undue pressure on local communities was eased through the migrant wanderings of girls from all over Europe to areas where a GI market is available.

At weekends, what the Germans call "street cruisers," big U.S. civilian cars with green military plates owned by GIs, can be spotted even in outlying villages.

They point the way to young Americans and their families living out among the German population instead of in what some Germans describe as the "little America" ghettos of the official military establishment.

They also disclose the whereabouts of GIs sitting in pubs sampling local beer or wine or out courting local belles.

It is a peaceful, picturesque, mostly pastoral scene except when there is a maneuver and the Americans put on their field gear to invade the countryside in strength.

Then the resentment runs higher than usual, particularly among motorists blocked from passing by convoys and townspeople caught in the swirling dust of passing tanks and trucks. But even on such occasions, there is no pat answer for the degree of irritation Germans feel.

# How to choose an international bank.

As you know, even the most basic business activities take on a certain complexity overseas.

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### The difference: a matter of style.

These capabilities are the fundamentals of international banking. The great international banks perform them. The others, the routine international banks, do not.

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The differences in international banking may be small. Which means we must look harder to find them. But even a small difference can make a big difference. Now, and in the future.

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Granted he must know the economic climate of the area, government restrictions, the tax and exchange realities, and the conventions of local business. He must know how to build a favorable financial package for you through joint work with the EximBank, F.C.I.A., and P.E.F.C.O., the Private Export Funding Corporation which we were active in forming. And enough other information to fill a guide book.

But first of all, he must be a banker.

We feel our men overseas, man for man, have more basic American banking experience than our competitors. This explains why they are freer to use their own judgment and can act faster than other international bankers.

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If there is an edge to be found, we believe it should be put to work for you. We never hesitate to compete.

For example, we were the first American Bank to start a merchant bank from scratch in the city of London. Competing with the great historic merchant banks right on their own doorstep gives one a certain confidence.

And proves to us again that the right idea, and the courage to pursue it, is worth several imitative ones.

### The freedom to compete.

Overseas we are able to operate in this direct pragmatic way because we have complete control of our offices and branches. This gives us the authority and flexibility to operate in our own very responsive and competitive style.

Perhaps this is because most of our international managers have experience in our domestic lending operation. Many of the Nationals running our overseas business are trained here, also. We know how they perform, and how they implement our competitive philosophy.

### The results: growth tells the story.

This aggressive posture seems to work. Since 1967, we have opened 24 new branches and offices overseas. The growth of our loan volume in that period is a startling 527%. (And having seen what a competitive effort can accomplish, we have no intention of easing off.)

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This growth comes from both foreign and domestic companies, from the largest companies in America to those outside the Fortune 500.

One of our oldest clients, a heavy construction equipment manufacturer, was perhaps the first great American multinational company; among the newest is a foreign manufacturer of rotary engine automobiles.

Our growth in loans, and other services, is, we think, the result of two facts.

### Back to basics.

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## Tourism

### A Tourist Paradise, but German Travel Gap Grows

FRANKFURT (IHT). — Ever since Goethe penned his lyrical praise of verdant Italy, the Germans have been drawn to the sunny, warm climes of the south. And never more than today.

With increasing affluence and a highly sought-after currency, new generations of Germans are striking out for sunny vacation-lands where the weather is better, the living is cheaper and there are just enough traces of Gemütlichkeit to make them feel at home.

The wanderlust is astonishingly widespread throughout all levels of this class-conscious society. Wealthy businessmen, doctors and lawyers aren't the only ones for whom traveling is a hobby. Our green grocer just returned from three weeks in the Canary Islands and the neighborhood hairdresser from 10 days in Austria; they are not exceptions.

Every year the peripatetic Germans spend far more money abroad than foreigners traveling in the Federal Republic. The resulting travel gap grows larger every year, and now is second only to that registered by the United States.

In 1970, Germany's travel deficit was 5.8 billion marks; the next year it was over 7 billion marks, with German spending abroad up 20 percent over the previous year. And in just the first nine months of 1972, the deficit stood at 6.5 billion marks and was expected to continue its steady climb to a level well above that of 1971.

#### The Trend

During the 60s, Germany's consistent balance of payments surpluses and healthy trade balance allowed the country to be sanguine about the travel gap. However, the balance of payments surplus declined markedly in 1971 and 1972, and during the same time period more and more Germans travelled outside the country. In 1971, the travel gap wiped out almost half the trade surplus and roughly the same performance took place last year.

There is little indication the trend will ease. Successive revaluations of the mark have made German goods a bit less competitive in foreign markets, and at the same time made Germany more expensive for travelers from other countries.

And every year, the tendency for Germans to vacation outside their own country increases. At the present time, only one German in four spends his vacation within the bounds of the Federal

Republic; the other three go elsewhere—most of them to Austria, Italy and Switzerland in that order. But the Far East, Africa, Spain and Greece are also popular destinations. According to a recent OECD report, nearly every country for which tourist data was available in 1971 reported increases in German tourist arrivals—some as high as 30 to 40 percent.

One reason so many Germans travel abroad is simply that things are cheaper elsewhere. A modest double room without bath in a simple guest house in one of Germany's cities costs at least 36 marks these days . . . perhaps without breakfast.

Another reason for all the vacation traffic is the success of mass tourism here. Companies such as Touristik Union International (TUI) and Neckermann offer comfortable, well-organized, reasonably-priced trips all over the globe. (For example, two weeks for two on Spain's Costa Blanca for a total of 700 marks, including jet flight, transfers to and from airport, hotel, and full pension.)

#### Fewer Incoming

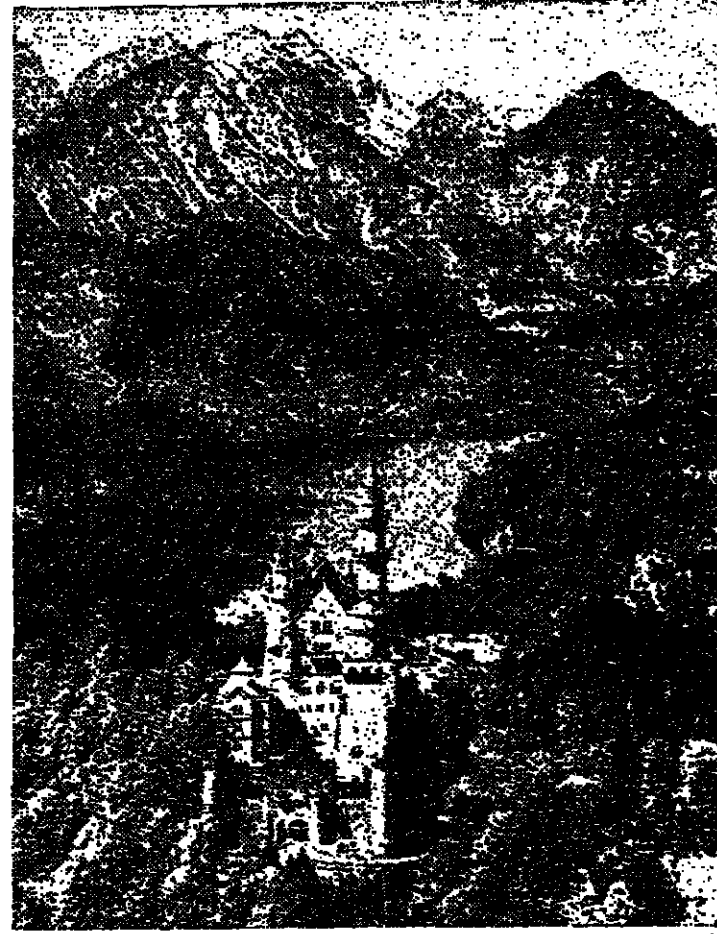
As one German neighbor remarked: "I can't afford to stay at home for that price."

Last Christmas, 10,000 Germans spent the holiday on Mallorca. On Christmas Eve, the vacationers heard a high mass conducted in German in Palma's cathedral. Holiday travel in general was up 26 percent over 1971, and the big tour operators warned in early December that they were almost entirely booked up for Christmas holidays anywhere it was warm.

And as more and more Germans vacation abroad, fewer foreigners come every year to see Deutschland's fine tourist attractions. In recent years, the growth rates of tourists arriving in Germany have steadily receded.

In 1971, nights spent by foreigners in hotels and similar establishments in Germany fell 1 percent. Even the well-publicized Olympic Games held in Munich last summer only pushed the figure to 4 percent above the level of the previous year. At these levels, Germany's "overnight" figure lay well below the international growth average.

For American visitors, who have been the backbone of tourism in Germany, the country has become significantly more expensive due to the devalued dollar. U.S. travel to Germany fell off 13 percent in 1971, and although it revived somewhat last



Neuschwanstein Castle in the Bavarian Alps. Courtesy the West German Tourist Office.

year, it still did not attain its previous level.

Europeans with their long vacations are also an important source of tourist revenue. But they, too, are beginning to bypass the Federal Republic. Only 1 percent more Europeans came to Germany in 1971 than in the previous year. In contrast, Austria's European visitors grew by 15 percent, Holland's 10 percent and France's 9 percent during the same period.

German tourist officials point out that further developments in international air travel will play a large role. Dr. Ilse Wolff, head of the Berlin Tourist Office, believes that if the flight prices are favorable the Americans (and other visitors from distant countries) will come anyway, even if their currencies are now reduced in value vis-à-vis the mark.

There are two areas where tourist officials see brighter prospects. The first is in Japan, where the revalued yen will make travel abroad cheaper for Japanese.

Tourists from Japan to Germany grew 45 percent in 1971, and experienced a further large growth last year. Although they are still not terribly numerous, German officials believe the prospects for increasing this traffic are good.

#### Conventions

Another way German officials hope to beef up their tourist figures is through congresses or conventions—particularly the North American market. This is a relatively new area of development here, but German officials believe it is a natural. They see it as a way to capitalize on Germany's dual attraction as a romantic vacation spot and as a modern, centrally located industrial country with good communications facilities.

Berlin is Germany's number one convention city and ranks tenth in the world. The city already has a fine, almost new Congress Hall and is presently erecting a Congress Center, which will

be completed around 1978. Hamburg, Germany's number two congress city, will open its new convention hall in April.

Convention goes may well become tourism's new elite group at least insofar as the host cities are concerned. It's a provable fact (possibly because many of them travel on expense accounts) that they are very good spenders.

Dr. Wolff indicated that an increased traffic from East Germany or other Eastern-bloc countries would probably come from international congresses and fairs. For the immediate present she indicated, Berlin expects a large growth in private travel by Eastern visitors.

There are subsidies and grant available to improve tourism at the regional level, and these totaled some \$53 million in 1971 and 1972. Low interest loans (6 and 6 percent) are also available to small and medium companies from European Recovery Program funds. In addition, the hotel and catering industry association guarantees loans for which the federal government and state provide counter guarantees.

#### Little Action

But although the tourist deficit grows year by year, there appear to be little concerted action to close the ever widening gap.

The budget of the federal funded Deutsche Zentral für Tourismus was 12.6 million marks last year. This must cover operating expenses for its promotion offices here and abroad, 11 salaries of 140 employees and, of course, advertising to lure more travelers to Germany. According to the well known paper Die Zeit, Germany's present expenditure for advertising in Great Britain ranks 24th in the world, behind Bulgaria and Romania.

And no one—federal or its government—is responsible for advertising Germany's multi-vacation and excursion attractions to Germany.

But then, how many foreign would feel their trip to Europe was complete without a glimpse of the historic Rhine with fringed vineyards and crumbling castles? Or a taste of Minnie Baroque? Or Old Heidelberg?

Even the most unwary visitor has heard of the Black Forest, the Cologne Cathedral, the restoration of Nuremberg, and fine German beer, wurst and so on.

For tourists who have seen it, it's unthinkable that others would not follow the matter what the exper-

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## Culture

as poet, playwright, essayist, novelist, and publicist he occupies a niche unique on the West German scene.

West Germany's theaters have also brought great success to the Swiss playwrights Friedrich Dürrenmatt ("The Visit") and Max Frisch ("Andorra") and to the young Austrian Peter Handke ("Audience: Absent"). Younger German playwrights who have recently won merited attention include Martin Sperr, Rainer Werner Fassbinder, and Franz Xaver Kroetz. Martin Walser, Günter Grass, and the Nobel Prize winner Heinrich Böll have all written for the theater, but with less success than as novelists.

## Puppet Theater

Two West German cities, Bochum and Braunschweig, present annual festivals of puppet theaters which come from far and wide. Every year Kiel's Theater workshop and Frankfurt's "Experimenta" invite and present on one spot a cross-section of the newest and best in the contemporary theater. Many West German theaters have special programs for children, developing at the earliest possible age the audience of the future who, in the main, will remain faithful for life.

In German, the phrase *theater geliebter* can mean anything that takes place in a theater—drama, opera, operetta, and ballet. In cities large enough to have more than one such ensemble but only one theater for them to share, this has strongly influenced contemporary German theatrical architecture. In Münster, for instance, that city's chief dramatist, Frieder Lorenz, proudly describes the new house there as "the most modern German-language theater"—a flexible, versatile building with not one but two stages, usable in no less than 14 different variations for festivities or chamber music, as an exhibition area, and as a lecture or congress hall. For plays, the possibilities range from a hexagonal theater-in-the-round, surrounded by six blocks of spectators, to a conventional proscenium stage. The new house opened with an adaptation of Voltaire's "Candide," with interpolated songs.

Visitors to larger German cities usually head for the opera, and they can hardly go wrong. The Swiss composer Rolf Liebermann, during his years as director of the Hamburg State Opera, has turned that company into probably the liveliest opera house anywhere in the world. With a repertoire of some 60 works a season, running 11 months a year, the company has not neglected the traditional



Scene from Goethe's 'Faust' in Frankfurt

repertory but has also done unique service to contemporary opera by commissioning two new full-length works each season.

The Munich Opera has especially cultivated the works of two composers: Richard Strauss, a native son, and Richard Wagner, some of whose most important works received their first performances in Munich. The present director, Günther Rennert, ranks close to East Berlin's Walter Felsenstein as an exponent of *realistisches Musiktheater* and has more invitations for guest productions in all the world's leading opera houses than he could possibly accept.

Every August and September, the Munich Opera presents an entire opera festival, with whole constellations of major international stars both on the stage and in the pit for every performance. This year's programs include, in addition to other events, two Wagner operas and four by Strauss, plus new productions of Mozart's "Don Giovanni" and De-

bussy's "Fellées et Méliande." Incidentally, in connection with any such festivals or other events, a postcard in any major language addressed simply to the Verkehrsamt (tourist office) of the city in question will elicit prompt and full information.

West Berlin, Frankfurt, Düsseldorf and Cologne all have opera companies which rank as major, each one distinguishing itself in its own way. West Germany's smaller companies, with more modest budgets, cannot go after the big names, but they make up for it in imaginative programming. Nuremberg has a festival of contemporary *Musiktheater* coming up in May. Those works, however, will seem downright conservative in comparison with what Kiel does every year; the last offerings there included stage works by such leaders of the musical avant-garde as John Cage, Maurice Kagel, Dieter Schnebel, and Gerhard Rühm. The Saarbrücken Opera recently inaugurated an extraordinary but

highly successful exchange agreement with the opera in Tbilisi, the capital of Soviet Georgia, involving not only singers and conductors but even complete productions.

The annual Bayreuth Festival remains unique, not only for its exclusively Wagnerian repertory but also for its festive presentations of these music dramas. Last year, Göts Friedrich, a leading disciple of Walter Felsenstein from East Berlin (but now of Hamburg), stirred up more controversy than Bayreuth had experienced in many years with his brilliantly imaginative production of "Tannhäuser." Wolfgang Wagner has already hinted that Mr. Friedrich may do Bayreuth's 100th-anniversary production of "The Nibelung's Ring" cycle in 1976. In spite of its occasional recidencies of incoherence, Bayreuth's old Festspielhaus today remains far more than merely a museum.

## May Festival

Every year, Wiesbaden presents its variegated May Festival, usually including performances by leading artists and entire companies invited, in part, from countries of Eastern Europe lying a bit off the conventional beaten path of tourism.

Stuttgart boasts not only a major opera company (Munich's Günther Rennert, the Stuttgart company's former director, signed a contract to do guest productions there every year until he retires entirely) but also Germany's finest ballet company, one of the most brilliant anywhere. It came into being when Stuttgart had the gumption to hire the young South African choreographer John Cranko away from London and give him more or less carte blanche. Within an amazingly short time he had organized and trained a ballet company which has drawn critical raves in the many countries it has toured. These include, most recently, the Soviet Union, where the Stuttgart Opera Ballet enjoyed three weeks of triumphal appearances and such great ballerinas as Plisetskaya and the legendary Ulanova on hand to cheer Mr. Cranko and his own prima ballerina, Maria Hayde. On its home ground, the company annually presents an entire ballet week at the end of March.

Other young foreigners have enjoyed success in leading choreographic positions to West Germany. John Neumeier, from the United States, scored in Frankfurt as chief of the opera's ballet company and also in Göts Friedrich's Bayreuth "Tannhäuser." The Hamburg Opera enticed him away from Frankfurt, and he aroused enormous animosity by

giving notice to many of the Hamburg dancers; one must wait to see how the purged company there will support him and perform for him. Hamburg has also presented ballet productions by Glen Tetley, and the Munich Opera Ballet has invited, as guest choreographers, Frederick Ashton from London, Rudi van Dantzig from Amsterdam, and Laszlo Seregi from Budapest. Stuttgart also has a school teaching the dances of India.

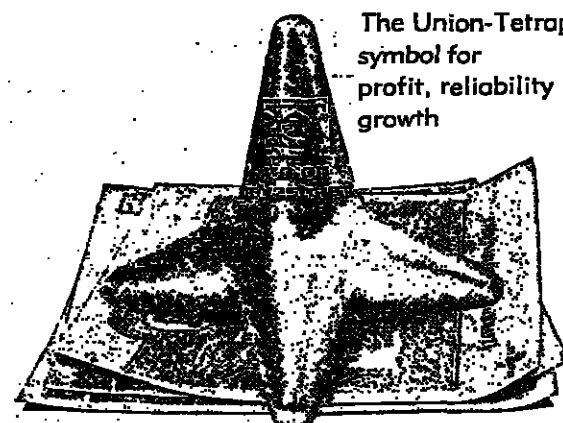
For 16 years, Cologne has staged a summer dance academy and choreography competition which last year attracted 600 dancers, choreographers, and dance teachers from 28 countries. The avant-garde guru of Merce Cunningham dominated the most recent competition, with the classical tradition taking a back seat and first prize going to George Călușeano from Bucharest. This January, the Dance Forum in Cologne presented four new works, one of them to music by Aaron Copland with choreography by Jochen Ulrich. The company demonstrated unusual initiative in Gray Veredon's ballet entitled "Chapter"; he had done his choreography to Witold Lutoslawski's "Book for Orchestra," but when the Polish composer refused to release his work for dance purposes, the choreographer simply substituted rock and only those who know noticed the difference!

## Soloists

In dealing within limited space with concert music in the country which produced all three of the essential Three Bs—Bach, Beethoven, and Brahms—the difficulty arises not from what to put in but from what one can possibly risk leaving out.

If any temporary decline has occurred within Germany as a musical nation, it lies in the area of individual instrumental soloists. Not since Adolf Busch has Germany produced a great violinist, not since Gieseking and Backhaus a great pianist, not since Feuermann—a Jew who survived by emigrating—a great cellist, not since Furtwängler a conductor of the first water. The number of Busches, Giesekings, Backhauses, and Furtwänglers—and, in a separate, especially tragic category, Feuermanns—slaughtered between 1939 and 1945 remains chilling but imponderable. Today Edith Feinermann tops the list of German soloists; Christoph Eschenbach, the list of pianists. As for major, all-round cellists, not one name comes to mind.

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## Culture

(Continued from preceding page) Dietrich Fischer-Dieskau, whose prowess as a young Lieder singer caused his admiring British captors in Italy to postpone his release as a POW considerably longer than they really needed to. He almost single-handedly effected a general renaissance of the Lieder recital in postwar Germany. Some connoisseurs prefer the less studied, more spontaneous delivery of Hermann Prey, another Berlin-born baritone who divides his time between opera and Lieder. Numerous other German singers head the bills at all the world's greatest opera houses today.

## The Composers

Carl Orff, the somewhat eccentric Bavarian composer best known for his robust cantata "Carmina Burana," stands today as the senior among Germany's composers: who but Orff would compose an entire opera "Prometheus" to a text in classical Greek? Orff himself regards as his most important single contribution the *Schulwerk*, a massive educational opus which presents children with simple, racy percussion instruments and teaches them how to hammer melodies, harmonies, and rhythms out of them. Modern schools all over the world today use the *Schulwerk* to develop children's latent musicality.

In the field of the composition, avant-garde, perhaps no place in the world has a reputation to compare with Donaueschingen and Darmstadt. The spring regarded as the source of the Da-

nube (Donau) rises in Donaueschingen, and so, ever since the musically rich days of the Weimar Republic, have some of the most important works in contemporary music. In those days, Hindemith, Weill, Stravinsky, and others won some of their earliest acclaim here. After 1945 Donaueschingen gave important early boosts to the careers of Luciano Berio, Pierre Boulez, John Cage, Hans Werner Henze, Krzysztof Penderecki, Karlheinz Stockhausen, and many others. The history of this concentrated annual weekend festival's financial patronage offers a microcosm of German concert music as a whole. The funds originally supplied by the noble Fürstenberg family now come from the radio in Baden-Baden, which, as elsewhere in Germany, derives its income from a monthly tax pittance levied upon set-owners.

Darmstadt has not only presented many important performances of new works but also offers courses of instruction for young composers and interpreters of its relatively modest budget. Darmstadt's artistic atmosphere has attracted many of the biggest musical names. About 20 years ago, Leopold Stokowski came here to conduct "The Dance Round the Golden Calf," the first big chunk of Arnold Schoenberg's massive posthumous opera "Moses and Aaron" ever to attain performance. For the past several years, Karlheinz Stockhausen, one of contemporary music's few internationally acknowledged gurus, has dominated Darmstadt, not only as composer but also as teacher, together with such avant-

Visitors to larger German cities usually head for the Opera, and they can hardly go wrong. Hamburg, Munich, West Berlin, Frankfurt, Dusseldorf and Cologne all have opera companies which rank as major. The smaller companies in smaller cities with more modest budgets cannot go after the big names but make up for it in imaginative programming.

garde specialists as the pianists Aloys and Alfons Konlarski, the cellist Siegfried Palm, and the percussionist Christoph Caskel. Mr. Palm also serves as director of Cologne's Musikhochschule, where the faculty includes most of the Darmstadt stalwarts.

The Berlin Philharmonic and its Austrian-born lifetime conductor, Herbert von Karajan, dominate the exceptionally rich variety of Germany's symphonic musical life. This scintillating maestro, whose overall ken and mastery also embrace a detailed working knowledge of the most intricate forms of technology and double-entry bookkeeping, has lent a new, musical meaning to the word automation. He wastes not one second of his time, never seems hurried or tense, never raises his voice or loses his temper, and produces a staggering amount of work, most of it preserved almost immediately for posterity on gramophone records. His own Karajan Foundation has itself made three important contributions in Berlin—an international competition for young

conductors, another for youth orchestras from all over, and a new academy devoted to the specialized training of young orchestral musicians for the future.

## Radio

West Germany has no radio network in the American sense but, rather, regional radio centers in Munich, Stuttgart, Baden-Cologne, Bremen, Hamburg, and Berlin. Almost all of them have their own symphony orchestras, and also choruses, all of them good, some of them first-rate. Anyone concerned about the degree of democratic tolerance inherent in the average modern German might pause a moment to study the situation at the Hessian Radio in Frankfurt; no American orchestra ever saw its way clear to engage on a regular basis the gifted black conductor Dean Dixon, but for many years now he has served with great success and popularity as chief conductor of the Frankfurt Radio Symphony Orchestra. In addition to these radio orchestras,

every sizable city has at least one further symphony, sometimes more.

The list of West Germany's music festivals has almost no end. The Wagner Festival in Bayreuth overlaps with the Bach Festival in Ansbach, making it feasible for the really ambitious music-lover to stay in Nuremberg and commute between the two. Nuremberg itself has a Forum for Young Composers. In addition to Darmstadt and Donaueschingen, Hannover, Bremen, Bonn, Braunschweig, and Witten, all have their own festivals of contemporary music. Nuremberg and Göttingen have festivals of organ works, and Göttingen has an annual Handel Festival to boot. Kassel and Marburg devote a festival to the pre-Bach works of Heinrich Schütz. The Berlin Festival every autumn tries, with varying success, to embrace all the arts. More modest festivals take place at two castles in Bavaria, Schleissheim and Elmau. On the lighter side, Berlin has an annual Jazz Festival which has established itself as



had created, on show as art objects—sleeping in bed, sunk in narcissistic self-contemplation before a mirror, or agitating as "art prophets." Some visitors to "Documenta 5" hailed the magnificence of the emperor's new clothes; many others reacted like the critic H.P. Schnepel, who wrote, "The Inquiry Into Reality" penetrates . . . into a void. To have shown that, and to have provided attempts at explanation, is the achievement of this 'Documenta'."

## Beuys, Vantier

The poverty or total absence of socially relevant elements in perhaps most of the works displayed revealed such exhibits as mere showmanship, but some of the others deserved and received serious attention and respect, among them the American Edward Kienholz's "Castration Environment," in which he intended to convey racial discrimination in the American South. More advanced vessels of the muse included Joseph Beuys with his Düsseldorf "Office for Non-Elections" (sample specialty: a man's suit made of felt, hanging on a hanger), Ben Vantier with his Fluxus program, Vito Acconci and the "body workers" who regard their own bodies as the only instrument of artistic organization, and Gilbert and George as "singing sculptures." Other sections of this enormous exhibition included investigations into Utopia, science fiction, kitsch, publicity, psychotic art, photography, cinematography, and the mass press. Really absorbing one of the "Documenta" shows can almost become a career in itself.

## Painting

Together with the huge exhibitions in Sao Paulo and Venice, Kassel's mammoth "documenta" show of avant-garde art has come to rank as one of the greatest. One may legitimately call it the most important presentation of contemporary art anywhere in the world. Every time it opens, the audacity of the works exhibited there causes a furor in the press not only of Germany but all over the world. Last year, "Documenta 5" ran from June 30 to October 8, and had as its theme "Inquiry Into Reality—Today's Imagery." The show turned in fact more into a questioning of today's art and of the leading art ideologies in the Western world during recent years. It ran an extreme gamut from unadorned naturalism, most of it American in origin, all the way to displays of totally private views of the world by individual artists. The latter artists built wooden huts in the museum ("Documenta" takes place in Kassel's Fridericianum and in the Neue Galerie), planted wax candles in a constructed field, and put themselves, rather than works they

The advent of the Third Reich in 1933 created a mass exodus of German artists; those who didn't actually get out went into "inner emigration." Hitler's mocking exposition of "degenerate" art in Munich's Haus der Kunst boomeranged; when that same museum tried to reassemble, as faithfully as possible, the same show several years ago, it made overwhelmingly clear the enormity of Germany's artistic loss during those 12 years. For the meantime the entire world had hailed those whom Hitler derided, and his own pets and protégés, such as the sculptor Arno Breker, had fallen into deserved oblivion. Many of Germany's elite in every field of art had gravitated to the Bauhaus, an institution which won world-wide acclaim during the few short years of its existence, until the Nazis closed it. West Berlin recently established a fine Bauhaus Archive, a fascinating monument to one of the greatest artistic bourgeoisings in history.

The closing of the Bauhaus sent into exile two of Germany's greatest architects, Mies van der Rohe and Walter Gropius. Hans

Scharoun, a colleague whom Mies had earlier to Stuttgart where he association with Gropius busier, and others on of functional building, indelible mark on German architecture in Berlin vember at 73.

Just as Scharoun has an important part in construction of East Pr the 1914-18 war, so did again in Berlin after "Siemensstadt," the vast development he designed for the workers in Big Siemens plant, remains important monument modern functional architecture. Scharoun's controversial "building from the outside" won him few commissions, but the West German by Brasilia, and at his three other important under construction, the State Library, a new t the Volkswagen city of and a shipping museum merhaven. His most building will probably main the Philharmonic of the Berlin Philharmonic wise-cracking Berliners almost every impor building that goes in Berlin's beloved old Circus, they promptly the Philharmonic d Karajan.

## Volksgraph

A vast democratization has taken place in West during the past few years. A boom in popular graphics on a limited an almost bewildering lithographs, etchings, screen prints, most of ed "originals," and b than not only in im galleries but also in and department stor 300 firms have sprung courage contemporary produce for this mark quest for new art b now offer members of book clubs such graph from chic Pop to Constructivism. Each between 100 and 250 in

Last November, opened a museum as children deliberately avoid any impressionist museum "think The people who run simply as a "free st kids can develop activities, with skilled art teachers and e on hand to provide objects and tools, in mers, tape-recorder a video unit; the adu (Continued on ne



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## Culture

ed from preceding page) oping their initiative and activity without subjecting to any kind of pressure achievement. West Ber- gadey of the Arts has e experimental work to children into direct contact not only with ary art but also with rde music.

72 Nobel Prize for Liter- at to the novelist and h Heinrich Böll for his as the Swedish Academy. "which through its lion of a broad perspec- time and a sensitive characterization has con- to a renewal of litera- ot since Thomas Mann German writer won the 1. Böll, born in Cologne lives there today. His rk attracted attention 45, when he spoke for generation struggling to e and rise above the es of Nazism and war many years later, the arising out of the af- dety that followed West's "economic miracle."

66 liberal Catholic, Mr. more than once in the rater for taking inco- and unpopular stands on ues about which he feels Most recently, the press pilloried him for ng the Baseler-Meinhol extreme leftist urban Böll had in fact criticised the nearly lynch-tenor of the cam- dines the group by those sapers which then, with ly thrill vituperation, him.

Literature  
obel Prize came during a tenure as president international PEN Club. ved the news from a : in Athens while visit- married daughter there. racteristic response: For me alone? Not for id me together? Ad- culation had said. ish Academy might e prize jointly to Mr. Glinter Grass, who as "The Tin Drum" and as "has probably won urity in English-speak- ries than has Mr. Böll.

ress, born in Danzig, d from appendicitis. Böll'seldest daughter to classes in sculpture and He first attracted literary with some poems and lays, but his first novel, Drum," made him fa- nost overnight. He has 1 drawing, but primarily us for his literary works. success as a playwright not daunted his itch to that medium. In his length play, "The Pie- thearse the Uprising," took what amounted to the Oedipal murder of Bertolt Brecht. Critics, without exception, puffed dead cats.

erature published in many certainly merited istic attention. Almost y's worthwhile writers exception: the earlier (sa winner Gerhart on), whether Jew or igrated. After the war, igs, Bertolt Brecht, and ters returned to East to put into practice the their Marxist convic- th prevented Heinrich tion of joining them. great literary exiles

have tended to return to West Germany only for visits.

A little over a year ago, Frank- furt's German Library, financial- ly assisted by the Volkswagen Foundation, acquired the com- plete archive of the American Guild for German Cultural Free- dom, an organization which aid- ed writers, artists, musicians and scholars who had to go into exile. Prince Hubertus zu Löwen- stein - Wertheim - Freudenberg, who had emigrated to the United States in 1933, founded the Guild in 1935. In addition to many com- parative unknowns, the Guild gave financial assistance to Hein- rich Mann, whose royalties in America amounted to virtually nothing, and to Brecht, who from his exile in Denmark turned to the Guild for a printing-costs subsidy.

## Zuckmayer

At about the same time that Frankfurt acquired the Guild's archive, two of pre-Hitler Ger- many's leading writers observed their 75th birthdays—still in exile: Max Tau, recipient in 1950 of the first German Book Trade's Peace Prize, in Oslo, and Carl Zuckmayer, best known for his plays "The Captain of Köpenick" and "The Devil's General," in the Swiss town of Amstwil. A few months later the city of Düssel- dorf awarded Mr. Zuckmayer its new Heinrich Heine Prize of 25,000 marks. Every three years, the prize will go to an individual "who, through his or her intel- lectual achievements in the cause of fundamental human rights which Heinrich Heine championed, furthers social progress, serves understanding between peoples, or disseminates recognition of the unity of all mankind."

Three principles of the great German poet Heine, a Jew, have not even today found universal acceptance among the people of Düsseldorf. Most German univer- sities bear the name of a great German intellectual, but all efforts to get Düsseldorf's university named after Heine have come to nothing, allegedly because he preferred to live in France rather than Germany and never let up in sharply criticizing his home- land and fellow countrymen.

Germanians themselves say wryly that whenever two or more Ger- mans sit down together, they tend to found a Verein, a con- federation, derived from the verb "to unite." Two years after the last war, the writer Hans Werner Richter founded the Group '47, which soon developed into a be- havior of literary activity to which belonged most of West Germany's leading postwar writers, among them Günter Grass, Uwe Johnson, Alexander Kluge, Peter Weiss, and many others. The Group '47 discontinued its annual get-to- gethers six years ago, after steady- ly growing attendance by pub- lishers and critics had resulted in ever-increasing emphasis on the economic aspects of literature. For two decades, though, it filled a need and served a purpose, and it did so with exceptional distinc- tion.

Naturally, West Germany also has a writers' Verein, in this case called the Verband Deutscher Schriftsteller. For four days in January it held its second federal congress, and took the unusual and original step of joining, en bloc and by a vote of 375 to 28, the Union of Print and Paper Workers. The writers' group has more than 3,000 members, and one must wait and see how what percentage of the entire member- ship reacts to the new move. The

A vast democratization of art has taken place in West Germany

during the past few years in the form of a boom

in quality graphics at popular prices. The collector on a

limited budget has an almost bewildering choice of lithographs, etchings

and silk screen prints, most of them signed "originals", and

he can buy them not only in museums and galleries but also

in bookshops and department stores.

writers' union has the fond hope of wresting from nonpurchasing German readers something like composers' performance royalties, with money paid by lending libra- ries in accord with a work's popularity.

West Germany takes its writers just as seriously as it does its theater. Klaus von Dohnanyi, Bonn's minister for economics, attended the meeting in Ham- burg and delivered personal greetings from Chancellor Brandt.

Germany, East plus West, leads the entire world in the number of translations published from abroad. UNESCO's last "Index translationum" lists 41,322 trans- lations published in 73 countries. Germany leads with 5,834; the Soviet Union, for the first time squeezed out of first place, had 3,580, and Spain, surprisingly, placed third with 2,944. Logi- cally enough, the biggest interna- tional book fair in the world takes place every autumn in Frankfurt.

## The Cinema

Probably more than any other artistic discipline, German cinema after 1945 had to start almost entirely from scratch, for the Nazis had dispersed its creative artists throughout the world. Although the Third Reich virtu- ally destroyed German cinematic art, Germans remain proud of the pioneers their country pro- duced in this field. In 1971, West Berlin transformed the German Cinemathek into a foundation and provided it last year with 265,000 marks. It had already spent 380,000 marks to acquire a Berlin doctor's private collec- tion of about 600 copies of film productions between 1930 and 1950. Together with two other former private collections, the Cinemathek's library now in- cludes about 3,000 feature films and 2,000 short and documentary films, making it the largest film collection in Germany. In a scrumy little West Berlin ci- nema called the Arsenal, the Friends of the German Cinema- thek daily show antique films to intense audiences of nightly young devotees who tend to wear sandals and Afghanistani coats, eat figs, and smoke whatever comes to hand.

In 1952, German initiative established the Encyclopaedia Cinematographica at the In- stitute for Scientific Films in Göt- tingen; six years later it became a supra-national joint enterprise, and it now has affiliates in Hol- land, Austria, Japan, and the United States, with smaller ar- chives also in France, Great Britain, Portugal, Switzerland, Brazil, Canada, and Turkey, and a reference archive in New York. The Encyclopaedia Cinemato- graphica concentrates on two programs: film documentation of declining cultures, and the ex- tension of the sphere of technical sciences.

Among younger West German cineasts, Rainer Werner Fass- binder has probably won most acclaim abroad. Last year, Lon- don's National Film Theatre showed five of his films, and at about the same time the Paris Cinéma-thèque honored him with an homage which included 12 full-length Fassbinder films. Last March, New York's Museum of Modern Art showed about 30 German films made during the three preceding years alone, the first comprehensive survey of recent German film-making pre- sented in the United States. The program included works by Uwe Brandner (winner of the Chi- cago International Film Festival's "Golden Hugo" in 1971), Mr. Fassbinder, Hans W. Geissendor- fer, Werner Herzog, Lutz Mon- martz, Edgar Reitz, and a young American working in West Ber- lin, George Moore.

West Berlin holds its own fes- tival of feature films every autumn, and Oberhausen's an- nual Festival of Short Films has become known throughout the world for its high standards and adventurous offerings.

Comparative experience tempts one to laud West Germany's tele- vision as the best in the world. Some income derives from com- mercials, but presented in a man- ner recommended to drive Mad- son Avenue executives mad and inducing in the viewer a sen- sation somewhat similar to having his teeth ground: during a period preceding the main evening news- cast, one commercial implacably follows another, interspersed only with animated cartoons lasting only a few seconds. Otherwise television finances itself by a small tax levied monthly against every set-owner.

## Regional TV

With this money, the regional television centers, set up as total- ly independent public corpora- tions after the pattern of the BBC, produce programs which take into account every intel-

lectual stratum and explore to the fullest the possibilities of the medium. Each center lies under the control of a sort of watchdog committee which roughly repre- sents the various political parties, religious faiths, and so on. Fre- quently Austria and/or the Ger- man-speaking part of Switzerland cooperate with West Germany in joint productions, and Eurovision provides live coverage of major West European news events.

On West German television, complete, uncut plays and operas classify as middlebrow fare. For the intellectually more demand- ing viewer, each regional center also provides a Third Program, partially devoted to educational and scientific instruction pro- grams which can become recom- mended indeed. The straitjacket of the fundamental quarter-hour time-unit does not exist; a pro- gram gets whatever amount of time it deserves, and for viewers who don't consult the programs published both daily and weekly in almost every newspaper, every station carries its advance pro- gram listings on the screen.

## TV Institute

Earlier this year, the German Association of Colleges of Adult Education decided to establish a television institute in Marl, named after Adolf Grimme, one of German television's pioneers. The institute aims at coopera- tion between television and such various colleges to develop op- erating models and promote prac- tical utilization of television in adult education. It will also check and assess television pro- grams in the Federal Republic, and take over the awarding of the Adolf Grimme Prize, estab- lished by the Association of Col- leges of Adult Education in 1961 and awarded annually ever since. Berlin's Funkausstellung, the mammoth annual radio and tele- vision exposition, this August will celebrate the 50th anniver- sary of radio in German, with the unveiling of the world's first

audiovisual book, a work by Werner Hüfer, the imaginative director of Cologne's television, which will incorporate a disc recording of color television. The disc, 21 centimeters in diameter, contains 290 grooves per millimeter on paper-thin plastic foil, revolves at extremely high speed, and carries ten minutes of pro- gramming.

In Hannover, the German Cen- ter for the Blind and Deaf has already installed another elec- tronic device. An apparatus which makes telephone com- munication possible between per- sons both deaf and blind. The device transmits and receives Braille between those at either end of the ordinary telephone connection. Before summer, the center in Hannover expects de- livery from Siemens of 40 new Braillophones.

An investigation conducted in all countries of Western Europe in October, 1971, and published last year showed that West Ger- man television's first and sec- ond programs combined carried more topical information than any of the other countries, 96.78 hours during the four-week test period. By comparison, Spain totaled 77.55 hours, France about 70, Sweden 64, and Italy slightly over 60. West Germany's excel- lent official Inter Nations or- ganization says: "International experts have repeatedly confirmed that television in the Federal Republic provides one of the best programs in the world." Less reticent, unofficial connoisseurs of West German television would probably go even further.

In all fields of culture and the intellect, West Germany remains extraordinarily alive. The Ger- man Academic Exchange Service (DAAD, Kennedy Allee 50, Bad Godesberg) carries on a lively and generous exchange program involving artists and scholars in every conceivable discipline.

## Freud's Heritage

Such organizations have done brilliant work to redress Ger- many's isolation and barrenness during the Third Reich. Psycho- analysis, for instance, found warm hospitality in pre-Hitler Germany, but had to go almost entirely into exile in 1933. In November, 1971, the Sigmund Freud Foundation in Frankfurt, which already had a Sigmund Freud Institute, went into op- eration, promoting the training of young psychoanalysts in West Germany. Resident experts es- timate a shortage of some 150,000 psychotherapists, with only some 500 qualified specialists presently

available for the estimated 1,500,000 patients urgently need- ing treatment. The new founda- tion will provide interest-free loans to promising young people who want to train as psycho- analysts.

Anyone looking for a symbol of modern West Germany's es- sential attitude toward culture and the mind may find it in an annual congress which has taken place for the past 22 years in the beautiful old town of Lindau on Lake Constance as an annual reunion for winners of the Nobel Prize. The meeting neither seeks nor gets much publicity, and rela- tively few people, even in Ger- many, know about it. Last year,

for the eighth time, the congress concentrated on medical prob- lems, and the 800-odd partici- pants included 15 Nobel Prize winners in addition to almost 300 young scientists, professorial assistants, students from univer- sities and research institutes in Germany and abroad, and also fifteen holders of DAAD scholar- ships foreign doctors who had come to West Germany for spe- cialized training. One of the Nobel Prize winners present read a paper entitled "Protection of the Environment as an Interna- tional Task." It came from the pen of Chancellor Brandt, who last year won the Nobel Prize for Peace.

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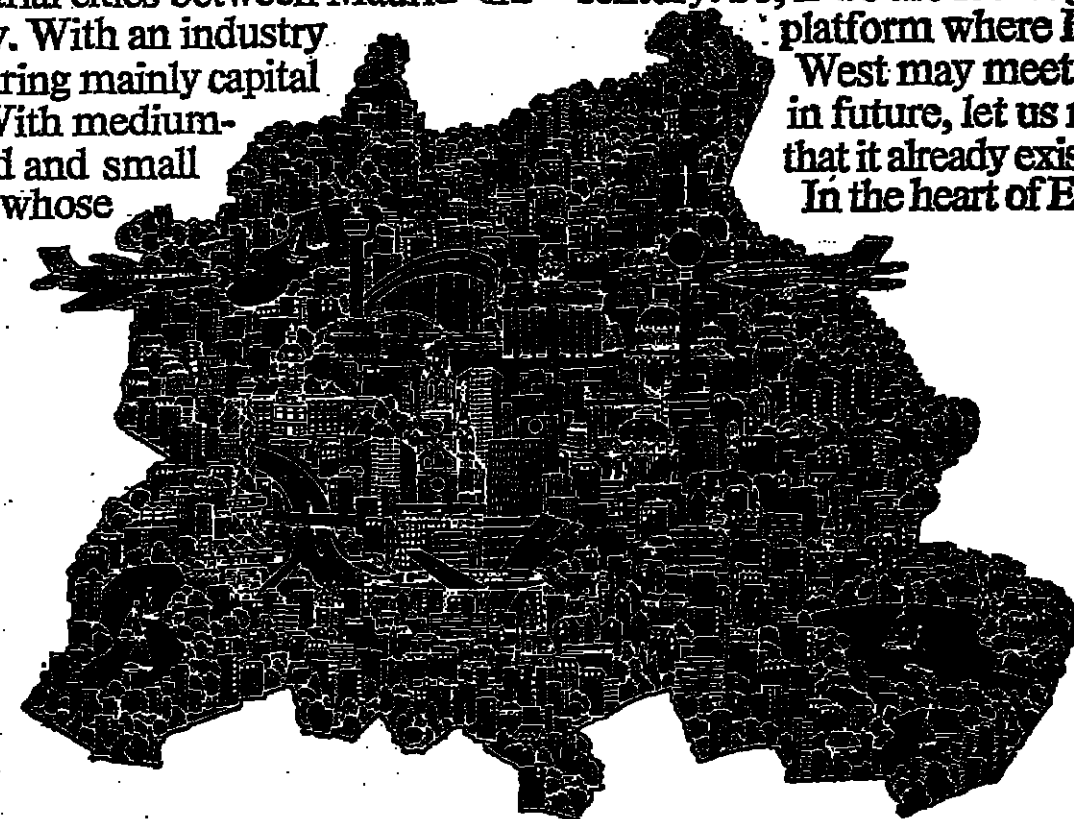
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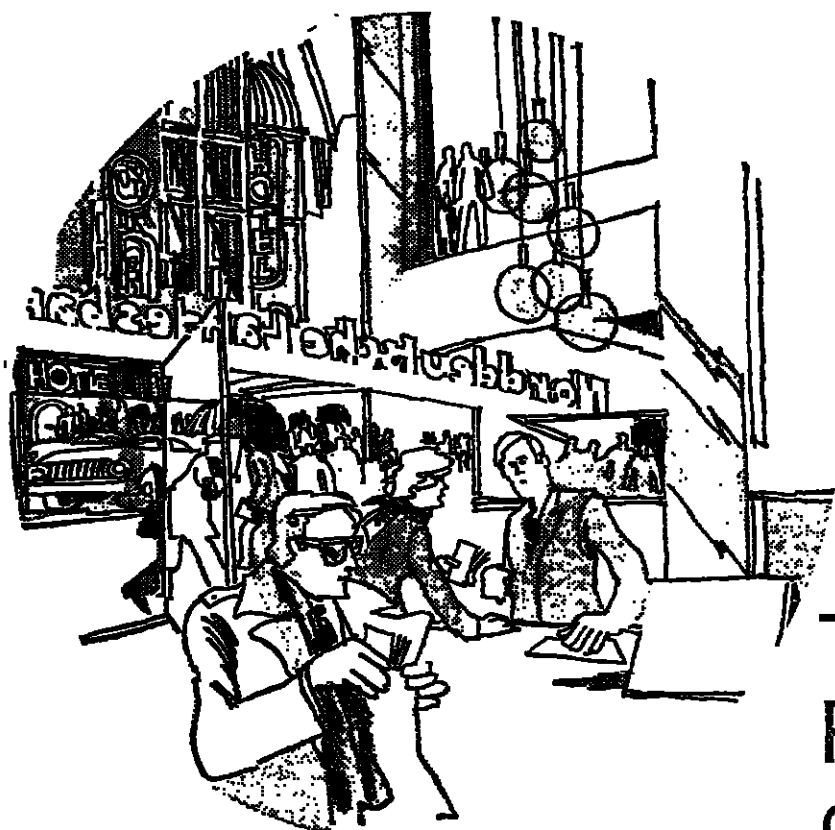
productivity exceeds that of the Federal Republic. Secondly, know-how: knowledge and training, research and development still figure very prominently. And Berlin is more and more becoming that for which it is almost tailor-made: a center of the service industries. Our experience in trading and negotiating with the East embraces more than a quarter of a century. So, if we are looking for a platform where East and West may meet and negotiate in future, let us remember that it already exists. In the heart of Europe.



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Germany, note the address of „Norddeutsche Landesbank“\*). As of now, we extend to you a hearty welcome.

\*) You will find us in Hanover at Georgsplatz 1, at Hanover-Langenhagen Airport, and at the Hanover Fair.

If you would like to know more about us, we would be happy to supply you full information.

Name \_\_\_\_\_

Address \_\_\_\_\_

Norddeutsche Landesbank  
Girozentrale  
D-3000 Hannover,  
Georgsplatz 1, Germany

THR 10-9/73

**Norddeutsche Landesbank**  
Girozentrale  
Hannover — Braunschweig

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